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S. Hrg. 99-302, Pt. 5

# *Senate Hearings*

***Before the Committee on Appropriations***

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# Departments of:
# —Labor
# —Health and Human Services
# —Education
# —and Related Agencies Appropriations

*Fiscal Year* 1986

99*th* CONGRESS, FIRST SESSION

H.R. 3424

**PART 5—(Pages 1–793)**
**NONDEPARTMENTAL WITNESSES**

S. Hrg. 99-302, Pt. 5

# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1986

## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

## H.R. 3424

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1986, AND FOR OTHER PURPOSES

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**PART 5—(Pages 1-793)**

**Nondepartmental witnesses**

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# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1986

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THURSDAY, MAY 9, 1985

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 9:39 a.m., in room SD–119, Dirksen Senate Office Building, Hon. Lowell P. Weicker, Jr. (chairman) presiding.

Present: Senators Weicker, Burdick, and Inouye.

## NONDEPARTMENTAL WITNESSES

### STATEMENT OF SCOTT R. SWIRLING, EXECUTIVE DIRECTOR, NATIONAL FAMILY PLANNING AND REPRODUCTIVE HEALTH ASSOCIATION

Senator WEICKER. The subcommittee will come to order.

We will hear further from public witnesses today. I want to do my utmost to urge everybody to stay within the confines of 5 minutes. It is embarrassing for me to stop people who go beyond that, and it is rude to the other witnesses. So I would appreciate it if you would stay within that time.

Our first witness today will be Scott Swirling, executive director of the National Family Planning and Reproductive Health Association.

Mr. SWIRLING. Thank you, Mr. Chairman.

My name is Scott Swirling, and as the executive director of the National Family Planning and Reproductive Health Association, it is my privilege to summarize for you today NFPRHA's request detailed in our written statement for fiscal year 1986 appropriations for the national family planning programs authorized under title X of the Public Health Service Act.

NFPRHA is a national, nonprofit membership organization that represents a broad spectrum of consumers and providers of family planning services, including State health departments, hospitals, planned parenthood affiliates, umbrella funding councils, independent private and nonprofit clinics, and health care professionals.

Title X is the primary voluntary family planning program funded by the Federal Government. Often title X programs are the only ambulatory health programs available to low-income women and teenagers in a particular locale, and does serve as the primary medical service for these individuals.

During the past 5 years, the Reagan administration has consistently sought to repeal the title X program for ideological and political reasons, and failing that to significantly reduce the program's funding and undertake administrative harrassment designed to destroy the integrity of the National Family Planning Program and render it ineffective and incapable of providing needed, comprehensive, and congressionally mandated services.

Throughout this difficult period, however, the Congress, and this subcommittee, and you in particular, Mr. Chairman, have rebuffed these attacks on family planning wherever possible. Thus, for example, Congress has four times rejected, and we hope and expect it to reject for the fifth time, the administration's misguided primary care block grant proposal.

In fairness, NFPRHA is encouraged by the administration's recent change in the Office of Deputy Assistant Secretary for Population Affairs. The DASPA has announced her intention to run the title X program professionally and competently, within the law and in accord with the intent of Congress. We hope that she will carry through on her assurances that the administrative harrassment of family planning providers and clients is at an end.

Despite attempts to discredit and dismantle the title X program, its successes, which are well known to you, cannot be denied. They speak forcefully for the reauthorization of title X for 3 years, and I want to thank you very much for being the primary sponsor of S. 881 to do just that, and for NFPRHA's request of a fiscal year 1986 appropriation of $162.6 million.

An appropriation of $162.6 million is the sum authorized by Congress only last year as the appropriate funding level for family planning. Budgetary constraints force Congress to appropriate only $142.5 million. Thus, while we are seeking an increase in funding for title X at time of continuing budget constraints, funding would be limited to last year's authorization level. Such an appropriation would help reverse the slide of the last 4 years when title X funding was slashed, to bring the program to a funding level almost approximating that which it enjoyed 5 years ago, allow family planning agencies to restore needed services, and signal a renewal of the Congress' commitment to an important Federal Preventive Health Care Program which is effective, cost efficient, and of extraordinary national importance.

In a related area, NFPRHA requests an appropriation of $118 million for the Center for Population Research [CPR] at NICD. The biomedical and behavioral research conducted by the CPR is integrally related to the delivery of family planning services.

Finally, if the budget allows, we would request a special appropriation of $20 million for the specific development and evaluation of new or improved contraceptives.

Thank you very much for the opportunity to appear.

PREPARED STATEMENT

Senator WEICKER. Scott, thank you very much. Your statement in its entirety will be placed in the record.

Mr. SWIRLING. Thank you, Mr. Chairman.

Senator WEICKER. We appreciate your vote of confidence.

[The statement follows:]

## STATEMENT OF SCOTT R. SWIRLING

Title X is the primary voluntary family planning program funded by the federal government. Often, Title X programs are the only ambulatory health care programs available to low-income women and teenagers in a particular locale, and thus serve as the primary medical service for these individuals.

The Reagan administration has consistently sought to repeal the Title X program for ideological and political reasons, and failing that, to significantly reduce the program's funding and undertake administrative harassment designed to destroy the integrity of the national family planning program and render it ineffective and incapable of providing needed comprehensive and Congressionally-mandated services. For over four years, the Reagan administration has attempted to augment its budget cuts with harassment of the Title X program by audits, personnel and organizational transfers, and untenable and illegal policy changes.

Despite the attempts of the Reagan administration, the successes of the Title X program cannot be ignored, and they speak forcefully for the renewal of Title X and for NFPRHA's appropriations requests. Full funding would reverse the slide of the last four years, bring the program to a funding level almost approximating that which it enjoyed five years ago, allow family planning agencies to restore needed services, and signal a renewal of the Congress' commitment to an important federal preventive health care program which is effective, cost-efficient, and of extraordinary national importance.

Therefore, the National Family Planning and Reproductive Health Assocation, Inc. (NFPRHA), submits the following recommendations for fiscal year 1986 appropriations for the Title X (PHS Act) family planning program to the Committees on Appropriations of the United States Senate and House of Representatives:

1. Reject administration efforts to place federal support for family planning services into a primary care block grant and reauthorize Title X for three years.
2. Appropriate $162,600,000 for programs under Title X: $158,400,000 for service program grants and contracts; $3,500,000 for training program grants and contracts; and $700,000 for the development and testing of informational and educational materials and programs. These figures are equal only to the fiscal year 1985 authorization level approved by Congress when it reauthorized Title X last year.
3. Appropriate $118,000,000 for the Center for Population Research within the National Institute of Child Health and Human Development.
4. Appropriate $20,000,000 for the specific development and evaluation of new or improved contraceptives.

Mr. Chairman and Members of the Subcommittee:

I am Scott R. Swirling, Executive Director of the National Family Planning and Reproductive Health Association, Inc. (NFPRHA). It is my privilege to present to you today NFPRHA's statement regarding the subject of this hearing: fiscal year 1986 appropriations for programs authorized under Title X of the Public Health Service Act, "Population Research and Voluntary Family Planning Programs."

The National Family Planning and Reproductive Health Association (NFPRHA) is a national nonprofit membership association headquartered in Washington, D.C., established to improve and expand the delivery of family planning and reproductive health care services throughout the United States. Our members -- consumers of family planning services; state, county and local health departments; hospital-based clinics; affiliates of the Planned Parenthood Federation of America; umbrella funding councils; independent private nonprofit clinics; and health care professionals — are committed to establishing and maintaining reproductive health care as a high priority preventive health care service in this country. Included in NFPRHA's membership are representatives of over 82% of the Title X grantees who, in fiscal year 1984, received over 85% of the funds available for family planning services under Title X.

Title X is the primary voluntary family planning program funded by the federal government. Other federal programs provide some support for family planning services (i.e. Titles V [Maternal & Child Health], XIX [Medicaid] and XX [Social Services] of the Social Security Act). However, Title X is by far the largest single source of funding, providing over 50% of available federal support and the national network of family planning agencies through which all subsidized services are provided. The program's goal is to serve a population of approximately 11 million women at risk of unintended pregnancy, including 5 million adolescent women ages 15 to 19 and 6 million adult women ages 20 to 44 in families with incomes below 200% of poverty.

Often, Title X programs are the only ambulatory health care progams available to low-income women and teenagers in a particular locale, and thus serve as the primary medical service for these individuals. Title X clinics are literally the entry point for millions of women and their families into any kind of health care system and many patients entered the health care system for the first time through Title X clinics, developing a new attitude towards health care which, previously, had been primarily crisis oriented. Typical Title X programs offer clinical health services (physical examinations, family planning information and services, pap tests, venereal disease screening and treatment, hemoglobin tests, urinalysis, pregnancy testing and diagnosis and treatment of minor vaginal infections), counselling services (for teenagers/adolescents, medical problems, parent/teen, nutrition, infertility, maternal and child health and problem pregnancies), services for males (counselling, education, condoms), special teen clinics, adolescent health education programs and community education programs.

In fiscal year 1981, Congress appropriated $166 million for Title X programs, subsequently reduced by a rescission to $162 million. Under the terms of P.L. 97-35, the extraordinary Omnibus Budget Reconciliation Act of 1981, the Title X program was reauthorized for three years, through fiscal 1984, and its appropriations authorizations were reduced to $130 million in fiscal 1982, $143 million in fiscal 1983, and $155 million fiscal 1984.

The Reagan administration has consistently sought to repeal the Title X program for ideological and political reasons, and failing that, to significantly reduce the program's funding and undertake administrative harassment designed to destroy the integrity of the national family planning program and render it ineffective and incapable of providing needed comprehensive and Congressionally-mandated services. In 1981, 1982, 1983, 1984 and again in 1985, the Reagan administration proposed to repeal Title X as a categorical grant program and place it in a block grant. Congress has consistently recognized that family planning is a national need which transcends state, county and local borders. It agreed with NFPRHA and other supporters of the family planning program that the high incidence of teenage sexual activity, of venereal disease, of unplanned births, of adolescent pregnancy, and of abortions across the country will be brought under control only with a national effort. Congress concurred that strong federal support and direction are required to assure that every person seeking family planning services receives high quality, comprehensive and competent care, no matter in what state or locality he or she resides. Thus, Congress has four times rejected, and we hope and expect it to reject for a fifth time, the administration's misguided primary care block grant proposal for family planning.

In 1981, unable to convince the Congress to repeal Title X, the Reagan administration sought a 23% reduction in Title X funding from the level authorized for fiscal 1982 while seeking only a 12% reduction for all other health services programs. Congress wisely rejected the administration's efforts and did not discriminate against Title X when settling on an across-the-board 4%

domestic program spending reduction, thereby providing Title X an appropriation for fiscal 1982 of $124.8 million. For fiscal 1983, Congress and the administration agreed to a spending "freeze" for domestic programs, resulting in a fiscal 1983 appropriation for the categorical Title X program of $124 million. Thus, for two years family planning agencies operated on budgets reduced on average by almost one quarter from fiscal 1981. Such a reduction had a drastic deleterious effect on family planning agencies and the people they serve.

For fiscal year 1984, the Congress increased the Title X appropriation over the administration's objections by $16 million, or 12.8 percent. Congress made it clear that this increase in funding was to be used to help offset the past two years' reductions in Title X service delivery monies. Yet, under the regional allocation formula imposed by DHHS' Office of Population Affairs (OPA), not only did the ten DHHS regions not receive an equitable 12-13 percent increase in their service delivery funds, but Region 1 received a 2 percent decrease from fiscal year 1983 and Region II received a 1 percent decrease. The remaining regions received increases ranging from 7.1 percent to 16.5 percent.

For fiscal year 1985, again over the administration's objections, Congress increased the Title X appropriation, this time by a modest $2.5 million.

Compounding the problem, and ensuring outrage from service delivery providers who have had to struggle extremely hard to continue to provide high quality family planning services in the face of draconian budget cuts, OPA arbitrarily set aside $5 million ($500,000 per region) for special "projects of national priority"--family involvement of Title X adolescent clients, infertility services, natural family planning services, male involvement, and other regionally identified areas of concern. Although the administration has claimed that Title X providers at regional meetings around the country requested assistance in these areas, none of the participants in those meetings with whom I have been in contact agrees with the administration. In fact, many Title X providers — including participants in the regional meetings with DHHS officials — formally protested the set-aside.

While NFPRHA agrees that special services must be developed and ongoing services improved in order to expand and improve the delivery of family planning health care, we believe that it is essential in the face of massive budget reductions that basic family planning and contraceptive services be adequately funded before DHHS sets aside large sums for new initiatives which Congress has otherwise directed be used for direct family planning services.

That DHHS has disregarded Congress' intent regarding the increase in fiscal year 1984 and 1985 appropriations comes, unfortunately, as no surprise. The goal of NFPRHA and its members is to continue to play an active role in helping families improve their lives, strengthen their bonds, achieve upward economic and social mobility and reduce the need for social welfare services. Federal support and the commitment of government leaders is essential to achievement of this goal.

Yet, support and commitment are the exact opposite of the current administration's position regarding the family planning program. For over four years, the Reagan administration has attempted to augment its budget cuts with harassment by audits, personnel and organizational transfers, and untenable and illegal policy changes.

A significant violation of the directions of Congress was the administration's promulgation of the "squeal rule" — the proposal that Title X clinics notify parents when prescribing contraceptives to adolescents. More recently, this administration has blatantly defied Congress by refusing to obey directions contained in P.L. 98-139 and P.L. 98-619 that DHHS return the administration of Title X to the Health Resources and Services Administration from its current location in the Office of the Assistant Secretary for Health.

An unprecedented number of audits of Title X grantees have been undertaken during the past four years, at political instigation, by the DHHS Office of Inspector General and the General Accounting Office. Absolutely no violations of law or regulation were found to have been committed. Yet, despite that finding, the Office of Management and Budget has implemented changes in accounting procedures for non-profit recipients of federal funds to prohibit lobbying and related activities by those recipients. These changes have been blamed by OMB in large part on "proof" supplied by the GAO audits of Title X agencies — proof that simply does not exist.

DHHS proposed, in direct opposition to explicit Congressional instructions, to abolish the service delivery improvement program which provided essential projects designed to improve the delivery of family planning services, gather and interpret data, and set medical standards, among others. That proposal, generated by political concerns and designed to "de-fund" opponents of the administration's family planning policies, was retracted twice under intense Congressional pressure. However, the administration in fiscal years 1984 and 1985 was able to re-direct the focus of the service delivery improvement program in such a way as to support projects of a type different than that which Congress originally intended.

In a further draconian attempt to resolve a misperception about the operation of Title X agencies and their relationhip to abortion services, DHHS proposed new Title X guidelines that would have severed family planning providers from projects providing abortion services at high costs to family planning providers and their patients. This new policy was drafted despite the repeated GAO and IG audits which have found that family planning agencies are scrupulous about obeying the strictures in the Title X statute and regulations against the use of Title X funds for abortion services.

All Title X projects explicitly follow the provisions of Section 1008 regarding advocating, promoting or providing abortions with their Title X funds. Yet, because of the misperception by the administration that Title X agencies also provide abortions — albeit, perhaps, with private funds — this draft guideline was prepared. But according to DHHS' own figures, of the approximately 5,000 family planning clinics in the United States which received Title X funds in 1981, only 74 perform abortions — 44 hospitals, 21 Planned Parenthood affiliates and nine other private clinics. Although such a policy, if it had not been blocked by significant public and Congressional outcry, would have directly affected less than one percent of all Title X clinics, it was seen as the first step in an effort to block Title X funding to agencies involved in abortion or abortion-related services with private, non-federal funds. Denial of government funding to these agencies is supported by family planning opponents who believe that such funding constitutes government promotion or sanction of abortion. If such a policy is ever adopted, it would deny access to family planning services to low-income women receiving their general medical care from providers who also provide abortions with non-federal funds; conflict with federal court rulings against government attempts to deny funds to organizations because of their exercise of their constitutional rights with non-government funds; ignore the rights of patients to make informed decisions as to their own care, conflict with professional and ethical standards of health care which require that all options be provided to a pregnant woman; and conflict with the laws and policies of a number of state governments which provide payment for abortion services with their own funds.

Finally, the administration has interfered with the competent delivery of family planning services by niggling harassment. The Office of Population Affairs, under its previous leadership, developed a bunker mentality concerning the national network of family planning providers with whom it is supposed to work. This bunker mentality emerged following the repeated failures of DHHS to implement its major policy changes. Thus, the OPA staff refused to return telephone calls or respond to correspondence from those family planning providers and national organizations it disliked; draft allocation formulas were submitted to the regions for comment too late for input from either regional DHHS officials or grantees or delegate agencies; requests for proposals for family planning grants and contracts were published in the Federal Register late, thereby creating major financial problems for grantees and contractors; funding decisions were influenced by political and philosophical considerations; meetings were held where no information was provided and which were later misrepresented to Congress and others; extraordinary paperwork and reporting requirements were imposed that were simply "make-work" projects that neither revealed new information nor assisted in the improvement of the overall program, etc. While it is true that this niggling harrassment does not in itself harm the Title X program and provider agencies in a drastic way, it served to divert the attention of Title X program managers away from thinking of better ways to provide services to patients and toward thinking of better ways to survive in a hostile management environment.

NFPRHA is encouraged by the administration's recent change in the office of Deputy Assistant Secretary for Population Affairs. The new DASPA has announced her intention to run the Title X program professionally and competently, within the law and in accord with the intent of Congress. We hope that she will carry through on her assurances that this niggling harrrassment is at an end.

Despite the attempts of the Reagan administration, the successes of the Title X family planning program cannot be ignored, and they speak forcefully for the reauthorization of Title X for three years and for NFPRHA's request that this subcommittee and Congress approve an appropriation for Title X for fiscal year 1986 of $162.6 million.

An appropriation of $162.6 million, (which is equal only to the fiscal year 1985 authorization level approved by Congress when it renewed Title X last year) would reverse the slide of the last four years, bring the program to a funding level almost approximately that which it enjoyed five years ago, allow family planning agencies to restore needed services, and signal a renewal of the Congress' commitment to an important federal preventive health care program which is effective, cost-efficient, and of extraordinary national importance.

The family planning program deserves a sufficient and adequate level of funding because it makes economic and personal sense. In its first decade, this program averted a total of 5.4 million unintended pregnancies, including 2.3 million births, 2.5 million abortions and 600,000 miscarriages. And it did so while averting significant government expenditures, as every government dollar invested in the family planning program saves at least two dollars within the next year in government funding for health and welfare services.

Yet despite the success in averting personal tragedies and unnecessary government spending, the Reagan administration has initiated spending policies which resulted, according to DHHS, in the number of low-income women and teenagers served by Title X agencies dropping from 4.1 million in 1980 to an estimated 3.7. million in 1984, and the number of clinic sites dropping from 5,000 to 4,500. It is axiomatic that these policies can only result in increases in the number of unintended pregnancies, with a concomitant increase in the numbers of unintended births and abortions in this country.

A fiscal 1986 appropriation of $162.6 million would provide $158.4 million for family planning service program grants and contracts, $3.5 million for training program grants and contracts, and $700,000 for the development and testing of informational and educational materials.

In a related area, NFPRHA urges this subcommittee and the Congress to approve an appropriation of $118 million for the Center for Population Research. The biomedical and behaviorial research conducted by CPR is integrally related to the delivery of family planning services, as recognized by the Congressional direction that such research be conducted being a part of the Title X statute. In addition we request an appropriation of $20 million for the specific development and evaluation of new or improved contraceptives.

Mr. Chairman. last year the House of Representatives, by a greater than 2 to 1 margin, approved a three-year reauthorization of the Title X statute. Unfortunately, the Senate never was given an opportunity to consider reauthorizing legislation, and Title X emerged from conference with a simple one-year renewal and an authorization level of $162.6 million. Stability and efficiency require that a three-year reauthorization be adopted by the Congress this year. The National Family Planning and Reproductive Health Association urges you and your Congressional colleagues to renew the nation's commitment to the delivery of high quality, comprehensive family planning medical care, counselling and educational services by reauthorizing the Title X statute through fiscal year 1988 without any debilitating amendments and appropriating adequate funding for Title X programs and related research.

Thank you very much.

## STATEMENT OF SISTER MIRIAM KEVIN PHILLIPS, S.C., ASSOCIATE DIRECTOR, ST. VINCENT'S HOSPITAL SCHOOL OF NURSING

Senator WEICKER. The next witness is Sister Miriam Kevin Phillips, the Associate Director of St. Vincent's Hospital School of Nursing.

Sister PHILLIPS. Good morning.

Mr. Chairman, I am Sister Miriam Kevin Phillips, sister of charity, and associate director of the St. Vincent's Hospital School of Nursing in New York City. I am pleased to be here on behalf of the Federation for Accessible Nursing Education and Licensure, known as FANEL, to present its views on the authorizing legislation appropriating funds for nursing.

I will speak today on those items most critical to nurses and of particular concern to FANEL and its constituents throughout the United States, which are nurse practitioner program funding, nurse traineeships, and special project funds.

First, the Nurse Practitioner Program, title VIII, section 822 of the Public Health Service Act, provides for grants to train nurse practitioners in primary health care. I would say to you, Mr. Chairman, that it is economically sound to support education for primary care providers which permit quality health care services to reach underserved rural and urban populations. A healthy America is a strong America.

While an increase in health care professionals may be projected, the underserved areas will not be recipients of those providers who are most affordable unless they have the financial incentives to enter the nurse practitioner programs.

Financial incentives are indicated in the Institute of Medicine study, "Nursing and Nursing Education: Public Policies and Private Actions", recommendations 9 through 11 and would be beneficial if geared to encouraging nurses to practice in underserved areas, working with the elderly, and other disadvantaged segments of the population.

Nurse practitioner programs have traditionally afforded graduate nurses with career options in serving needy populations through a cost-efficient education. Primary health care to underserved areas should not be compromised by the limitation of funding to educate these primary care providers.

We respectfully suggest restoring the full appropriation of $12 million under title VIII, section 822, of the Public Health Service Act which will continue the trend of nurse practitioners providing primary care.

Second, the nursing special project funding under title VIII, section 820, of the Public Health Service Act is paramount to the ability of nurses to be prepared to provide effective and economic services to the elderly, in health promotion, and in recruitment and retention of minorities into the profession.

While projections for increased health professionals are foreseen there are serious indicators that there will not be adequate nurses to perform those services which are exclusive to nurses. Enrollments are continually decreasing in all nursing programs, and nursing professionals are finding nonnursing roles in the health care delivery system.

The Special Projects Program with a focused, rather than a broad objective could address the vital issues of costing and revenue setting for nursing managers, innovative approaches to allocation of nursing resources, and improving the effective use and distribution of nursing personnel.

My third and final statement is in regard to the Nurse Traineeship Program, title VIII, section 830. This program should be retained for registered nurses to pursue full-time and part-time study in completion programs to prepare them for leadership positions in nursing management.

Currently, the multiple entry option in nursing education permits men and women from all social, financial, and personal circumstances to enter into the profession where most feasible. The trainee funds would prevent basic graduates from being dead-ended. The availability of educational support moneys establishes a mechanism for our brightest and most promising nurses to advance educationally and professionally.

All basic entry programs may suffer potential declining enrollments when it is perceived that career mobility is unattainable due to the lack of financial support.

All nursing programs inherently are a national resource providing manpower to meet the health care needs of the American people.

Thank you.

## PREPARED STATEMENT

Senator WEICKER. Sister, thank you very much for your testimony. We appreciate it. We will insert your statement in the record.

Sister PHILLIPS. Thank you.

[The statement follows:]

## STATEMENT OF SISTER MIRIAM KEVIN PHILLIPS

Mr. Chairman, I am Sr. Miriam Kevin Phillips, S.C., associate director of the St. Vincent's Hospital School of Nursing, New York City. I am pleased to be here on behalf of the Federation for Accessible Nursing Education and Licensure (FANEL) to present its views on the authorizing legislation appropriating funds for nursing.

I will speak today on those items, most critical to nurses and of particular concern to FANEL and it's constituents throughout these United States, which are nurse practitioner program funding, nurse traineeships and special project funds.

First, the Nurse Practitioner Program Title VIII, Section 822 of the Public Health Service Act provides for grants to train nurse practitioners in primary health care. I would say to the Senators, that it is economically sound to support education for primary care providers which permit quality health care services to reach underserved rural and urban populations. A healthy America is a strong America.

While an increase in health care professionals may be projected, the underserved areas will not be recipients of those providers who are most affordable unless they have the financial incentives to enter nurse practitioner programs.

Financial incentives are indicated in the Institute of Medicine Study, Nursing and Nursing Education: Public Policies and Private Actions recommendations 9 through 11 and would be beneficial if geared to encourage nurses to practice in underserved areas; working with the elderly, and other disadvantaged segments of the population.

Nurse practitioner programs have traditionally afforded graduate nurses with career options in serving needy populations through a cost efficient education. Primary health care to underserved areas should not be compromised by the limitation of funding to educate these primary care providers.

We suggest restoring the full appropriation under Title VIII, Section 822 of the Public Health Act which will continue the trend of nurse practitioners providing primary care.

Second, the Nursing Special Project Funding under Title VIII, Section 820 of The Public Health Service Act is paramount to the ability of nurses to be prepared to provide effective and economic services to the elderly; in health promotion; and in recruitment and retention of minorities into the profession.

While projections for increased health professional are foreseen, there are serious indicators that there will not be adequate nurses to perform those services which are exclusive to nurses. Enrollments are continually decreasing, nursing programs in colleges and hospitals are closing down, and nursing professionals are finding non-nursing roles in the health care delivery system.

The Special Projects program with a focused, rather than a broad, objective could address the vital issues of costing and revenue setting for nursing managers, innovative approaches to allocation of nursing resources and improving the effective use and distribution of nursing personnel. This has the potential to favorably impact on the bottom-line of the total cost of health care.

My third and final statement is in regard to the nurse traineeship program, Title VIII, Section 830. This program should be retained for registered nurses to pursue full time, but in addition part time study in completion programs to prepare them for leadership positions in nursing managment and administration and nursing education. The National Commission on Nursing and the Institute of Medicine report, Nursing and Nursing Education: Public Policies and Private Actions sustains this position.

Currently, the multiple entry option in nursing education permits men and women from all social, financial and personal circumstances to enter into the profession where most feasible. This promotes a sound national economy, while assuring a substantial manpower base for an essential service profession. The traineeship funds would prevent basic graduates from being dead-ended. The availablity of educational support monies establishes a mechanism for our brightest and most promising nurses to advance educationally and professionally without barriers.

All basic entry programs may suffer potential declining enrollments when it is perceived that career mobility is unattainable due the lack of financial support.

All nursing education programs inherently are a national resource providing manpower to meet the health care needs of the American people. Can we afford not to keep America well?

## APPENDIX

## EXCERPTS OF RECOMMENDATIONS 9 THROUGH 11

## NURSING AND NURSING EDUCATION: PUBLIC POLICIES AND PRIVATE ACTIONS

Because concern for all these aspects of current and possible future nurse shortages appeared to be a motivating force for the study, the committee examined the various aspects of nursing and nursing education in that general framework. In our analysis, we found reasons to distinguish sharply between shortages or maldistribution of nurses prepared as generalists to provide direct care to patients, and shortages of nurses in leadership and specialty nursing. The problems and the possible solutions are quite different for these two groups.

### The Committee's Recommendations

Our recommendations are framed not only in the general context of the provisions of the Nurse Training Act (NTA) of 1965 and its subsequent amendments, but also in the context of other federal, state, and local government and private sector actions that influence both the demand for and the supply of RNs and LPNs. Many factors enter into the alleviation of current numerical and distributional scarcities of nurses and in the prevention of future scarcities. In most instances, the responsibilities of the various public and private sectors interact. In consequence, the committee's recommendations generally involve shared funding to stimulate the kind of collaborative approaches most likely to ensure desired results.

This section presents the committee's specific responses to the three congressional questions of its study charge. Each recommendation addresses a topic that is, in effect, a subset of the overall study question under consideration. The recommendation under each of these topics is accompanied by an abstract of the conclusions that led to its formulation. The congressional questions and the topics and recommendations are set forth in the sequence in which they appear in the statutory charge and in the chapters of the full report.

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Page 11.

Congressional Question Two: WHAT ARE THE REASONS NURSES DO NOT SERVE IN MEDICALLY UNDERSERVED AREAS AND WHAT ACTIONS COULD BE TAKEN TO ENCOURAGE NURSES TO PRACTICE IN SUCH AREAS?

An important exception to the generalization that there is a sufficient existing supply of generalist nurses for direct patient care was noted in the discussion following Recommendation 1. That exception arises from the fact that the labor market cannot function properly when there are financial, geographic, and other barriers to the provision of medical care and other health services for disadvantaged segments of the population.

Lack of access to preventive and primary care services by residents of rural and inner-city areas remains one of our nation's most pressing health problems. The committee has found, not surprisingly, that there are serious shortages of nurses who are willing or able to work in such areas, and to care for patients in public hospitals and nursing homes. The shortages largely coincide with the lack of adequate medical facilities and services for many low-income people and the elderly. Many of the root causes lie in the nation's health care financing arrangements. Possible solutions to this overriding national health care problem are beyond the scope of the committee's assignment, but we have, nonetheless, identified actions closely related to the committee's charge that would help to encourage nurses to practice in underserved areas and to work with the elderly and other underserved populations.

**There can be no major expectation that the nurse labor market will improve significantly in inner-city and rural areas unless concerted actions are taken to develop an indigenous supply. The greatest potential for relieving such shortages lies in attracting into nursing--and advancing within the profession--people who live in shortage areas.**

**Many potential candidates, however, cannot relocate or commute to places where they may find available nursing education suitable to their career goals and circumstances. New forms of communication technology offer opportunities for present programs to engage in nursing education, including advanced nurse training and continuing education. They have not been sufficiently exploited. Various forms of outreach programs can be designed to suit the requirements and convenience of students who, for reasons of family, residence, or the need to continue employment while studying, cannot readily attend**

existing campus programs. Where prototypes of such programs are now in existence, evaluation and dissemination of results should be supported by the federal government. Where, because of special difficulties, promising efforts require encouragement through modest financial support, the government should participate financially in a small number of model demonstrations.

### Encouraging Consortia of Nurse Educators and Nurse Employers in Shortage Areas to Increase Minority Student Opportunities

RECOMMENDATION 10

> To meet the nursing needs of specific population groups in medically underserved areas and to encourage better minority representation at all levels of nursing education, the federal government should institute a competitive program for state and private institutions that offers institutional and student support under the following principles:
>
> - Programs must be developed in close collaboration with, and include commitments from, providers of health services in shortage areas.
> - Scholarships and loans contingent on commitments to work in shortage areas should be targeted, though not limited, to members of minority and ethnic groups to the extent that they are likely to meet the needs of underserved populations, including non-English-speaking groups.

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Minority groups in the population, including new immigrants, are particularly disadvantaged both in their access to health services and in their access to educational opportunities in nursing. The committee recommends scholarships and loans for these purposes contingent on service commitments to shortage areas, although some members questioned the effectiveness or the equity of such provisions. Strategies to develop minority manpower to provide more adequate nursing services in medically underserved areas have been stated as goals, though inadequately supported by past legislation. These goals require re-emphasis and new approaches through a redirection of authorization and funding available under the Nurse Training Act.

Thus, in addition to general educational outreach efforts, nurse educators and health care employers should jointly develop programs to ensure that students are recruited from these special groups, that they will be given employment preference, and that they will gain clinical experience in shortage area facilities, e.g., rural and inner-city hospitals, nursing homes, and public health clinics. We believe that educational programs and health care facilities by working together in consortia can be successful in designing programs to recruit well-motivated students who will be attracted by improved prospects of future employment. The facilities themselves may benefit by work-study arrangements that will assure a future continuing supply of newly graduated nurses who live in the vicinity and are already familiar with their operations. Patients will benefit under the care of nursing service personnel who are more likely to be familiar with their health needs and life styles.

## Adequate Revenues for Inner-City Hospitals

**RECOMMENDATION 11**

Differential allowances in payment should take into account the special burdens on inner-city hospitals that demonstrate legitimate difficulties in financing services because of disproportionate numbers of uninsured or Medicaid and Medicare patients. Federal, state, and local governments and third-party payers should pay their fair shares of amounts necessary to prevent insolvency and to support acceptable levels of service, including nursing care.

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Many inner-city public hospitals (that is, county-, city-, or state-owned), and some inner-city voluntary hospitals bear a primary burden of serving the unsponsored poor. They generally also serve disproportionately large numbers of Medicare and Medicaid patients for whose care they may not recover full payment of necessary expenditures. Many of these hospitals are teaching institutions affiliated with academic health centers and serve as regional referral centers for very sick patients requiring extraordinary inpatient medical and nursing attention. On an outpatient basis, they also provide a heavy volume of episodic primary care and emergency room services to otherwise medically underserved persons.

Failure of federal and state governments to cover certain services, or to allow payment sufficient to recover necessary outlays for services that are covered, threatens the existence of this essential part of the nation's health services structure. It stands in the way both of good patient care and of improving poor physical plant and general working conditions that contribute to the traditional difficulties these institutions encounter in recruiting and retaining nurses.

The service missions of some inner-city hospitals may result in justifiably higher costs and lower revenues than those in institutions classified as comparable in size or scope of service. Differential payments should take these factors into account. Although differential payments cannot assure an adequate nursing supply, they may be necessary to maintain institutional solvency. When new methods of payment are developed, it will be important to allow for the expense of service and management improvements to redress past deficiencies. By making service improvements possible, such payments may promote attainment of more competitive salary structures and better staffing of nursing services.

## STATEMENT OF MABLE BRYANT, PRESIDENT, FEDERAL PROFESSIONAL NURSE ASSOCIATION, LOCAL 2707, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Senator WEICKER. Our next witness Mable Bryant, president of the Federal Professional Nurse Association, local 2707, the American Federation of Government Employees.

Ms. BRYANT. Mr. Chairman, today I represent not only the members of my association, but all of the 231 occupational health nurses who staff the 167 Public Health Service Federal employee occupational health units located throughout the United States and Puerto Rico.

I appreciate the opportunity to present the views and concerns of my colleagues.

As part of the strategy for managing the administration's fiscal year 1986 budget, the Department of Health and Human Services proposes to eliminate 231 positions by discontinuing direct operation of the 167 occupational health units now administered and managed by the Public Health Service, Division of Federal Employee Occupational Health.

I do not feel that the Department has presented a clear picture of the impact that such a proposal will have on the Occupational Health Program, Federal agencies, their employees, and the nurses who will lose their jobs.

Considering the present national emphasis on worksite health promotion and surveillance, plus the current system of funding, I am astounded by the proposal to discontinue a program that has shown continuous growth for almost 40 years, both in the number of units operated and in the program content.

The proposal before you would have DFEOH abandon its responsibility to the 280,000 Federal employees it serves, seriously jeopardize worksite health care, and strike more than 200 nurses from the Federal work force.

Agencies currently under negotiated agreement with DFEOH recognized that DFEOH had the professional expertise and staff to administer and operate quality-assured occupational health programs. It was their decisions to enter agreements with the Public Health Service. Many of them transferred positions to the Department of Health and Human Services for health units and nursing staff in order to open their health units.

Much of the implementation plan, including RIF authority, is based on congressional response, and this allows very little time for an orderly transition.

The DFEOH program is one of the most cost effective worksite health promotion programs in the country, with a staff of experienced, dedicated, and well-trained occupational health nurses. No studies have been made to assess the cost or quality of a contracted out program. DFEOH management estimates that costs would be increased by 50 percent for operational delivery of services, and that estimated cost for consultative services would be approximately $27,000 per site, or 18 percent of the operating budget.

Therefore, we urge you to take the necessary action to insure that the Public Health Service will continue to administer and operate the Federal Occupational Health Program, and that the position of the 231 occupational health nurses will be retained.

Second, we urge the Congress to request an in-depth study to assess the impact of the proposed action before a most valuable program is compromised or destroyed. The Federal Government must decide if it still wishes to support the objectives of worksite health promotion in order to continue increased productivity, decreased absenteeism, disability, and health related liabilities.

Thank you again for allowing me to speak.

## PREPARED STATEMENT

Senator WEICKER. You gave very good testimony, and I thank you very much. Your statement will be inserted in the record in its entirety.

[The statement follows:]

## STATEMENT OF MABLE BRYANT

Mr. Chairman and Members of the Subcommittee, I am Mable Bryant, President of the Federal Professional Nurses Association Local 2707, American Federation of Government Employees.

Today I represent not only the members of my association but all of the 231 occupational health nurses who staff the 167 Public Health Service, Federal employee occupational health units located throughout the United States and Puerto Rico. I appreciate the opportunity to present the views and concerns of my collegues.

As part of the strategy for managing the administration's fiscal year 1986 budget, the Department of Health and Human Services proposes to eliminate 231 positions by discontinuing direct operation of the 167 occupational health units now administered and managed by the Public Health Service, Division of Federal Employee Occupational Health. I do not feel that the Department has presented a clear picture of the impact that such a proposal will have on the occupational health program, Federal agencies, their employees and the nurses who will lose their jobs. In fact, neither Mrs. Heckler nor Dr. Graham included in their written testimonies the intent to abandon the role of the Public Health Service, Division of Federal Employee Occupational Health as a direct provider of services. I believe we were eliminated by the deletion of a line item previously identified as reimbursable funds.

The DFEOH program has two major objectives:

1. To provide advice and consultation on Federal occupational health to any Federal agency so requesting

and

2. To operate Federal employee health units upon request and mutual agreement.

It is the consultative services that have been previously funded through direct appropriations. Operation of the health units themselves have been funded by the agencies we serve through reimbursements to the Division of Federal Employee Health. I would like to point out that health unit budgets include not only contractual services, supplies and management fees, but also personnel salaries and benefits.

Considering the present national emphasis on worksite health promotion and surveilance plus the current system of funding, I am astounded by the proposal to discontinue a program that has shown continuous growth for almost forty years both in the number of units operated and in program content. I would think that the Department of Health and Human Services would want the Public Health Service to continue its leadership role.

The proposal before you, however, would have the DFEOH abandon its responsibility to the 280,000 Federal employees, seriously jeopardize worksite health care and strike more than 200 nurses from the Federal work force.

Federal agencies have requested Federal employee health services from the Division of Federal Employee Occupational Health for several reasons. These reasons include:

1. Lack of agency health expertise and professional staff to develop and run a program
2. Availability of a basic program through DFEOH
3. Cost efficiencies

The DFEOH program is among the most cost effective work site health programs in the country with a staff of experienced, dedicated and well-trained Occupational Health Nurses.

In the June 1976 General Accounting Office report on Inequalities In the Preventive Health Services Offered to Federal Employees, the DFEOH program was considered the standard upon which all preventive health programs were measured. In August 1976, the Subcommittee on Retirement and Employee Benefits held oversight hearings on Federal employee preventive health services and again the DFEOH was commended for its standard of excellence. The subcommittee recommended that the role of DFEOH be strengthened.

Agencies currently under negotiated agreement with DFEOH recognized that DFEOH had the professional expertise and staff to administer and operate quality-assured occupational health programs. It was their decisions to enter agreements with the Public Health Service.

With this in mind, it is inconceivable that the Department proposes to return these same units to the agencies to be operated by direct hire or by contracting out to the private sector.

Due to the squeeze on positions, few agencies will be able to hire direct. Most will have to consider either contracting out or eliminating services. Ironically, many agencies transferred positions to DHHS in order to open their health units. These positions were designated for nursing staff. Will these positions be returned to the agencies with health units? Probably not.

I have tried, unsuccessfully, to acquire information on operating costs of private contractors. I feel certain, however, that contracting out will result in increased costs and decreased program quality.

The current per capita cost for 154 FEOH operated health units is $65.08. Projected cost by DFEOH managers state identical services contracted out on an individual basis by Federal agencies will cost $91.86.

Program quality will be affected by two factors:

1. Budget
2. Nursing personnel

Will agencies be able to afford the projected cost of $27,000 or 18% of budget to acquire consultative services which have previously been provided at no cost?

In terms of nursing personnel, the Federal Government today employs the largest group of occupational health nurses in the country. Occupational health nursing is a specialized application of nursing principles designed to conserve the health of workers in all occupations.

It involves the recognition, prevention and treatment of illness and worksite injures and requires special skills and knowledge in the areas of health education and counseling, enviornmental health, rehabilitation and human relations. Occupational health nurses must incorporate management principles, public health concepts and research methods in order to provide comprehensive health care to the Federal employee in the working enviornment. These skills enable the Federal occupational health nurse to act as an independent professional, manager and decision maker to the benefit of the Federal employees they so ably serve.

Many of us believe that since the days of Florence Nightingale, nurses have been treated less than fairly. In this case, the Department is treating the nurses in a reprehensible and insensitive manner. In this proposal to close down the public health units, no thought has been given to the welfare of the 231 nurses who are the mainstay of the program and the principle dispensers of health service to Federal workers. Many of our nurses have devoted a substantial portion of their lives to Federal service and are close to retirement.

Incidentally, most Federal occupational health nurses are female and work in a profession which is notoriously underpaid. The Government, which has been a leader in providing fair employment opportunities to this female dominated occupation, will destroy the gains that these expert nurses have made by contracting out their positions to people with far less specialized experience.

In summary, we urge you to take the necessary action to insure that the Public Health Service will continue to administer and operate the Federal occupational health program and that the positions of the 231 occupational health nurses will be retained.

Secondly, we urge the Congress to request an indepth study to assess the impact of the proposed action before a most valuable program is compromised or destroyed. The Federal Government must decide if it still wishes to support the objectives of worksite health promotion in order to continue increased productivity and decreased absenteeism, disability and health related liability.

Third, if for some greater public good, unclear to us, you concur that the Federal employee health program and our jobs must be abandoned, then we ask that you direct the Department to develop and implement a more humane program of attrition to protect the security of our nurses rather than the program of heartless RIF's the Department is apparently planning.

Thank you, again, Mr. Chairman for allowing me the opportunity to represent the views of the Public Health Service's occupational health nurses. Those of us who have devoted our lives to helping others now look to you for help, not only in retaining our jobs but in maintaining the health and well-being of our Federal employees.

## APPENDIX

## ADDITIONAL MATERIAL FOR THE RECORD

Mr. Inouye's Statement, "Occupational Health Nurses", Congressional Record, Senate, June 14, 1982.

Health Unit Budget, General Accounting Office, 1984

"Workplace Health Promotion", The president's remarks from the White House were made during the HIAA teleconference, March 3, 1984.

Mr. Bingaman's Statement, "Civilian Wellness", Congressional Record, Senate, July 24, 1984.

Letters for transfer of positions to DHHS.
    Letter from John Hurley, Assistant Commissioner, U.S. Customs Service, March 26, 1975.
    Letter from Morton Small, Office of Financial Management, April 2, 1975.
    Letter from Harell Little, Division of Financial Management/ORM/OAM/PHS, April 23, 1975.

Health Promotion Programs, 1984, compiled from Division of Federal Employee Occupational Health, Annual Health Unit Report, 1984.

Pro's and Con's ..DFEOH - Private Contractors.

Letter from Steny Hoyer, Inquiry to Margaret Heckler, Secretary DHHS, August 31, 1983.

Letter of reply from Margaret Heckler to Congressman Hoyer, October 31, 1983.

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## ATTACHMENT A

### OCCUPATION HEALTH NURSES

● Mr. INOUYE. Mr. President, today I would like to express my appreciation for the contributions that the 12,000 members of the American Association of Occupational Health Nurses make to the health and well-being of our Nation's industrial workplace.

This professional organization was founded in 1942 and has an active affiliate in my home State of Hawaii. All of the Hawaii firms that employed the six nurses who formed the Isle chapter of the national association in 1950 still have full-time industrial nurses on their payrolls.

The first companies were Hawaiian Tuna Packers, Hawaiian Telephone Co., Pan American Airlines, Dole Pineapple, Del Monte Corp., and the Hawaiian Electric Co.

In addition, association members work for Sheraton Hotels, Maui Pineapple, Reynolds Metals, the Polynesian Cultural Center, and Queen's Hospital, as well as on the military payroll at Barbers' Point, Schofield Barracks, Tripler Army Medical Center, and the Naval Regional Medical Center. They also are on the Government payroll at the Post Office, the Federal Building and the Cancer Center. In all we have 20 members at home. Although nationally 95 percent of their membership are female, there has been an increasing number of male nurses who have expresed interest in this important field.

In the workplace, managers generally recognize that an employee's performance is directly related to his physical and emotional well-being. The occupational health nurse contributes effectively to the worker's health. Frequently, it is the occupational health nurse who first encounters the worker and gives counsel on matters of his or her family's health. He or she is involved in the early detection of symptoms which are indications of acute or chronic diseases; such early recognition results in lowered costs and less time lost from work.

There has been a persistent lack of understanding and recognition of the occupational health nurse as a member of the interdisciplinary team, consisting of nursing, medicine, industrial hygiene, safety, management, and the employee.

Occupational health nursing can be defined as the application of nursing principles in conserving the health of workers in all occupations. It involves the prevention, recognition, and treatment of illness and injury, and requires special skills and knowledge in the areas of health education and counseling, environmental health, rehabilitation, and human relations.

One realizes from this definition that this is a specialized practice occurring most frequently in an independent setting. The nurse must incorporate management/administrative principles, public health concepts and research methods in order to provide comprehensive health care that includes more than the traditional focus of diseases and cure-oriented care. The occupational health nurse bases his or her practice on a holistic approach to the worker and the dynamic interaction between the worker and the environment, and emphasizes health promotion, disease prevention, and the preservation of well-being.

The occupational health nurse is a registered nurse; who has graduated from an approved nursing education program authorized by the State to prepare persons for licensure. After successful completion of the program, this graduate must then meet various State requirements for licensure in the State in which she wishes to practice. An ever-increasing number of occupational health nurses are prepared at the baccalaureate level in university programs approved by the National League of Nursing.

Due to the independent nature of the occupational health nurse's role, many are seeking master's degrees and nurse practitioner education; these two must meet State licensing requirements.

Also, a certification examination has been prepared and implemented to evaluate the occupational health nurse's knowledge of her special practice area. This is but another insurance to the employer and clients that the nurse has the basic knowledge and skill to practice occupational health. The occupational health nurse must practice a minimum of 5 years in the occupational health setting to be eligible to sit for this exam; recertification is required every 5 years.

In the workplace the occupational health nurse functions in a variety of ways. In a crisis such as an industrial injury he or she reacts by providing immediate and lifesaving measures until the client can be transported to a local emergency room.

Some examples of non-critical nursing intervention are palliative treatment for minor conditions; brief assessments and physician referrals, liaison between physicians and company; liaison between employees and administrators or supervisors; well health teaching; input for occupational and plant safety; department budgeting and supply ordering; and recordkeeping of worker's compensation, OSHA, insurance, and so forth.

In addition, a nurse practitioner in the occupational health setting can diagnose and treat, prescribe, initiate and perform laboratory studies, perform treatments including ultrasound, perform psychosocial evaluation, perform physical examinations, perform suturing, and improve the evaluation skills of ancillary medical personnel.

Examples of health problems that can be treated include complete physical examinations, both preemployment and periodic, including pelvic and Pap smear for females, prostate and hernia check for males; muscle strains including low back, tendonitis, and carpal tunnel syndrome, "tennis elbow," lacerations, ganglions, burns, chemical toxicity, and foreign bodies in the eye.

Other health problems that nurse practitioners in the occupational health setting can treat include headaches, dermatitis, fracture follow-up, gastritis, viremias, chalazions, and conjunctivitis. He or she treats infections including those of the respiratory tract, urinary tract, eye, vagina, and soft tissue. He or she manages chronic medical illnesses such as hypertension, diabetes, obesity, chronic obstructive pulmonary disease and arthritis. He or she provides counseling for mental and physical well-being on such problems as depression, alcoholism, drug abuse, sexuality, family planning, and stress management.

The exact cost of replacing an employee who is absent because of illness is difficult to calculate. Illness absenteeism has been considered by authorities in the industrial field to be 10 times more costly than industrial accidents. The need for such a service is evidenced by the continuing growth of occupational health programs and the increasing number of occupational health nurses (some 24,000 currently exist). These nurses contribute to the total health picture of our Nation's work force.

The basic health care problems of prevention and promotion are becoming priority items on the agenda of the occupational health nurse. As a physician may not be involved in the health professional-client interaction, the nurse is constantly challenged to improve herself or himself as a health care provider; he or she is challenged to develop more effective strategies for health promotion and disease prevention. The occupational health nurse is meeting these challenges by supporting the premise that all workers are entitled to a safe, healthful environment, and to quality health care.●

# ATTACHMENT B

HEALTH [illegible] CODE ID: 20A0300
ESTIMATED COST OF EMPLOYEE HEALTH PROGRAM
PHS/DFEOH HEALTH UNIT.

GENERAL ACCOUNTING OFFICE BLDG.
ROOM 1455
441 C STREET, NORTH WEST
WASHINGTON DC 20548

FISCAL YEAR 1984

| | DETAIL AMOUNT | SUBTOTALS | TOTALS |
|---|---|---|---|
| 10 PERSONEL SERVICES AND BENEFITS | | | $219930 |
| 11 PERSONNEL COMPENSATION | | $195850 | |
| MEDICAL OFFICER | $ 63875 | | |
| SUPV. OCCUP HEALTH NURSE | $ 27670 | | |
| OCCUPATIONAL HEALTH NURSES ( 4) | $ 90825 | | |
| SECRETARY | $ 13480 | | |
| 12 PERSONNEL BENEFITS | | $ 24080 | |
| UNIFORM ALLOWANCE | $ 500 | | |
| F.E.G.L.I. | $ 935 | | |
| F.E.H.B.A. | $ 2100 | | |
| MEDICARE | $ 2320 | | |
| CONTRIBUTION TO RETIREMENT FUND | $12490 | | |
| F.I.C.A. | $ 1650 | | |
| S.G.L.I. | $ 35 | | |
| RENTAL AND SUBSISTANCE | $ 4050 | | |
| 20 CONTRACTUAL SERVICES AND SUPPLIES | | | $ 24470 |
| 21 TRAVEL | | $ 500 | |
| 24 PRINTING AND REPRODUCTION | | $ 600 | |
| 25 OTHER SERVICES | | $ 15500 | |
| LAUNDRY | $ 600 | | |
| LABORATORY TESTS . ( 500 X $ 22) | $11000 | | |
| CONTRACT PHYSICIAN ( 5 X $ 80) | $ 400 | | |
| CONTRACT NURSE . . ( 40 X $ 85) | $ 3400 | | |
| MISCELLANEOUS | $ 100 | | |
| 26 SUPPLIES AND MATERIALS * | | $ 7870 | |
| 30 ACQUISITION OF CAPITAL ASSETS | | | $ 700 |
| 31 EQUIPMENT (INCLUDING REPAIRS) | | $ 700 | |
| | | SUBTOTAL | $245100 |
| | | MANAGEMENT CHARGE (10%) RD. | $ 24500 |
| | | TOTAL ESTIMATED COST OF OPERATION | $ 269600 |

* INCLUDES SUPPLIES FOR IMMUNIZATIONS AND SCREENING PROGRAMS

AGENCIES ESTIMATED SHARE OF COST
PHS/DFEOH HEALTH UNIT.

GENERAL ACCOUNTING OFFICE BLDG.
ROOM 1455
441 C STREET, NORTH WEST
WASHINGTON DC 20548

FISCAL YEAR 1984

| | F.Y. 1984 POPULATION | AGENCY ALC | PARTICIPATING AGENCIES | SHARE OF COST |
|---|---|---|---|---|
| | 3,033 | 05000001 | US GENERAL ACCOUNTING OFFICE | $179,038 |
| | 720 | 16012016 | US DEPARTMENT OF LABOR | $ 42,502 |
| | 555 | 20009991 | DEPT OF TREASURY | $ 32,762 |
| | 180 | 20180025 | DEPARTMENT OF THE TREASURY | $ 10,625 |
| | 79 | 47000013 | GENERAL SERVICES ADMINISTRATION | $ 4,663 |
| TOTALS | 4,567 | | | $269,590 |

PER CAPITA COST: $ 59.03

## ATTACHMENT C

WORKPLACE HEALTH PROMOTION

### "Health Promotion Is in All of Our Interests"

RONALD REAGAN

*President of the United States*

Disease prevention and health promotion are in all of our interests, not only for people in the insurance business, but for employees and employers throughout the wide spectrum of American enterprise. I don't need to tell you employers that the illness of your employees is a costly proposition. A healthier work force means higher productivity, reduced absenteeism, and less overtime. In the long run, it also means a reduction in the cost for employee health benefits.

Today we've conquered the old killers like smallpox, diphtheria, and polio. We understand that how each of us chooses to live will, more than anything else, determine our health.

Executives are in a position to provide leadership in this area, because working people spend about half their waking hours at work. With little or no financial investment, the employer can influence his or her employees to change some bad habits that heavily affect one's health.

Cigarette smoking is, perhaps, the best example. We all know how harmful it is. Well, the illness resulting from smoking is costly to both the smoker and his or her boss. A helping hand to assist employees to break the habit might be a wise investment.

Good eating and exercise habits are other areas where employers could use their influence. We are all aware of the fitness programs in Japanese companies. It's something you might think about.

I'm certain that this teleconference will provide enough ideas. The question now is whether you're willing to take the steps necessary to make a difference. Those of you who take this to heart have my sincere thanks.

America can only be as strong and healthy as its people, and, as in all things, the only lasting change that takes place comes when each of us does his part to make our country the good and decent place we want it to be.

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## ATTACHMENT D

CIVILIAN WELLNESS

Mr. BINGAMAN. Mr. President, more than $200 billion is spent annually on health-care costs in this Nation while only 2 percent of that amount is spent on keeping our citizens healthy. Perhaps the most significant long-term solution to reduce health-care costs is to concentrate our efforts on wellness, the promotion of health, and the prevention of disease.

What we now face in this country is a crisis in health-care expenditure. If we do not attempt to control these escalating figures the insolvency of the medicaid program is almost a certainty and the Government's ability to provide adequate health care to its citizens a bygone conclusion.

But all is not lost if we act now and act quickly. The Federal Government, as the major contributor to payment of health-care costs, can also be the major beneficiary if it incorporates wellness principles into the Federal workplace.

The private sector has demonstrated repeatedly the success of such programs. Whether it be under the guise of wellness, health enhancement, or fitness the Federal Government ought to be incorporating such programs into the work environment. Particularly, since the Federal Government presently employs over 2.9 million civilian workers and is the largest single employer in the Nation. Yet, it is engaged in limited health-promotion activities for its workers.

The benefits are obvious. Wellness programs are justified on the basis of an increase in job satisfaction, improvement of the workplace, greater productivity, improved employee morale, and reduced employee absenteeism.

Mr. President, in this respect I am persuaded that the Federal Government is no different than corporate America which is reknowned for getting the maximum use of its investment dollar and has been in the forefront of establishing wellness programs. I therefore strongly believe it would be prudent management by the largest employer, the Federal Government, to invest in its workers and to improve the Federal work environment as a means for greater quality and delivery of service and improved productivity.

Therefore, I plan to ask the U.S. Office of Personnel management in consultation with the U.S. Department of Health and Human Services to convene a blue ribbon panel of public health experts—and management specialists to assess the present level of health-promotion activity in the Federal civilian sector and to make recommendations on how current wellness programs of Federal workers can be expanded and improved. Recently, I called upon the Secretary of Defense to convene a similar panel for the benefit of military personnel and their dependents.

Mr. DeCONCINI. I applaud the effort of my colleague and good friend, the Senator from New Mexico. I also support calling upon OPM to convene in consultation with HHS a blue ribbon panel to assess the level of activity on the subject of wellness and to make recommendations on how current wellness programs can be expanded and improved.

Mr. ABDNOR. I, too, would like to join with my two colleagues, the Senator from New Mexico and the distinguished ranking Democrat of the Treasury, Postal General Government Appropriations Subcommittee in support of further attention for wellness for Federal civilians. The Federal Government as the country's largest employer properly should be concerned with evaluation of its wellness program with an eye toward necessary improvement, as a useful tool for improved morale and productivity.

Mr. BINGAMAN. I thank my colleagues for their words of encouragement and interest. I invite my colleagues to join with me in writing to OPM on this subject.

Mr. DeCONCINI. I would be pleased to join such an effort.

Mr. ABDNOR. I would also be pleased to join with my good friend.

Mr. BINGAMAN. I thank my colleagues for their generous support.

Mr. GORTON. As the Senator knows, the operations of the Customs Service are a matter of particular importance to Washington State. At this time the Service is considering the creation of a new customs district along the Columbia and Snake Rivers. While I support that proposal, it is important that we recognize that the creation of such a district would not materially affect the workload of the Seattle customs district. With significant growth of trade and travel through the Seattle ports, any diminution of Customs Service resources in the Seattle district would be disastrous. Would the chairman agree that the creation of a new customs district along the Columbia and Snake Rivers should not be used to justify any reduction in staffing levels at the Seattle customs district?

Mr. ABDNOR. I would agree with the Senator from Washington. I know that Customs Service staffing in the Seattle district is already at a barebones minimum. I agree that the creation of a new customs district in the Pacific Northwest, or boundary changes in existing districts, should not be used as a pretext for reducing the Customs Service staffing levels in the Seattle customs district.

Mr. GORTON. I thank the Senator.

Mr. STEVENS. For the record, I believe it advisable to discuss the importance of this appropriations bill on the only remaining taxpayer subsidy to the U.S. Postal Service—revenue forgone. Revenue forgone is the category which subsidizes nonprofit organizations' mailings.

It is my understanding that the committee bill contains $801 million for revenue forgone and that this amount is sufficient to freeze nonprofit and other preferred mail rates at the current step 14 level. However, what should be clear is whether this $801 million will be sufficient once the pending postal rate case is completed and the resulting rate schedule is implemented.

Senator ABDNOR. My understanding is that pursuant to existing law, preferred rates will move up with the new step 14 and remain there until the end of fiscal 1985.

Mr. STEVENS. Mr. Chairman, have you heard as to the exact date the new rate schedule will take effect?

Mr. ABDNOR. No, the Board of Governors of the U.S. Postal Service did indicate that they do not intend to implement the new rate schedule until January or March 1985.

Mr. STEVENS. And we cannot anticipate now what the new rate schedule will be for preferred rate mailers, is that correct?

Mr. ABDNOR. Yes; there are too many unknowns. The final outcome of the postal rate case could be rates that are higher or lower than the Postal Service's initial request.

Mr. STEVENS. If that is the case, I foresee a potentially serious problem for colleges, universities, charities, churches, and other religious organizations, publishers of nonprofit periodicals, classroom publishers, and libraries. They are legitimately concerned about being caught on a roller coaster ride.

Mr. ABDNOR. I do not think this is a concern. Congress is appropriating $801 million, the amount in the committee bill, with the understanding that it will be sufficient to stabilize preferred rates at step 14.

Mr. STEVENS. To summarize, the Congress will appropriate sufficient funds to stabilize preferred rates at step 14 at the beginning of fiscal 1985. Then, should a change in the rate schedule come about, preferred rates would move up only to the new step 14 until the appropriations run out, which will be September 30, 1985.

Mr. ABDNOR. That is my understanding. The committee will deal with the level of rates after that time when we consider the appropriations for fiscal 1986.

Mr. STEVENS. I thank the Senator from South Dakota for his explanation and understanding.

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## ATTACHMENT E

MAR 26 1975

Gordon S. Siegel, M. D.
Director, Division of Federal Employee Health
Public Health Service, Health Services Administration
Department of Health, Education and Welfare
6525 Belcrest Road, West Hyattsville, MD 20732

Dear Mr. Siegel:

The U. S. Customs Service intends to enter into an agreement with the Division of Federal Employee Health for reimbursible management of an occupational health program for Customs Headquarters employees. We concur in the conditions which you specified in your memorandum of understanding of February 13, 1975 with one revision to the second condition.

We agree to initiate remodeling of the health unit as part of our complete renovation of the Headquarters Building, which is currently scheduled to begin in FY 1977. This delay in beginning renovation will permit us sufficient time to provide the additional space and substantial funds which the project will require.

In accordance with your letter of understanding as amended by this change with respect to the renovation date, we are prepared to proceed with a formal Memorandum of Agreement for reimbursable management by Public Health Service of an occupational health program for Customs. Peter Schlaufman of my staff (184-2741) will work with your staff on the details of this agreement.

In order to meet our commitment for the transfer of one employee ceiling space to the ceiling of the Public Health Service, we have requested that Treasury prepare the necessary documentation to OMB for this purpose. We will keep you advised as to the status of the position transfer.

For your information we have enclosed a partition plan of the existing health unit. We appreciate the assistance of Mr. Wolfthal in sending us the equipment list provided as an enclosure to his letter of March 13. We are proceeding with the immediate procurement of all essential items.

Sincerely,

John A. Hurley

John A. Hurley
Assistant Commissioner
(Administration)

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Director,
Office of Financial Management, HSA

April 2, 1975

Mr. Quentin Remein

Chief, Financial Management Branch, BMS

Transfer of one position and Ceiling Space
to the Public Health Service.

We have received a letter, copy attached, from the U.S. Customs Service, Washington, D.C., agreeing to transfer one position and ceiling space to the Public Health Service. Note that they are requesting Treasury prepare the necessary documentation to OMB for this purpose.

Please take the action necessary on our part to have one position and one ceiling slot transferred to HEW-HSA-BMS. The unit is scheduled to open April 21, 1975 and recruitment of a nurse is now in process. Therefore, prompt action for the transfer is desired.

S

[illegible]

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23 APR 1975

Director
Division of Financial Management/ORM/OAM/PHS

Director
Office of Financial Managment/HSA

Position for Health Unit for U.S. Customs Service, Washington, D.C.

I have been informed by the Bureau of Medical Services (BMS) that the U.S. Customs Service, Washington, D.C. has agreed to transfer one position to BMS for the staffing of a Federal employee health unit at 1301 Constitution Ave., N.W., Washington, D.C. The Treasury Department has prepared the necessary documentation to OMB to transfer the position.

Please take the necessary action to transfer one position and one end-of-year ceiling slot to BMS. Since the unit is to open shortly a prompt transfer is desired.

/s/ Harell Little

Harell Little

## Attachment F

### Health Promotion Programs, 1984

During 1984, the 160 health units of DFEOH which serve 270,000 Federal workers, provided 3,926 health promotion programs. Over 150,000 participants received the benefit of these programs designed to assist them in modifying their health behavior in respect to specific health risks.

Two hundred seventy five (275) occupational health nurses of the Division have been trained to conduct comprehensive health promotion programs. A special 6-month training program, including formal classroom instruction and practical on-the-job experience, provided an approach to defining worksite health problems, conducting health needs assessments of employees, setting realistic and measurable program objectives, selecting effective educational methods and evaluating the results of such programs.

The following table provides insight into the distribution of programs and participants by major health categories. This list is in decreasing order of program participation.

| Major Health Category | Participants | Programs |
|---|---|---|
| Hypertension | 41,031 | 226 |
| Smoking | 29,487 | 328 |
| Cancer | 22,592 | 510 |
| Galucoma/Vision | 16,279 | 213 |
| Physical Fitness and Exercise | 13,144 | 220 |
| Diabetes | 10,127 | 349 |
| Nutrition | 8,671 | 513 |
| Hearing | 5,513 | 108 |
| Stress and Violence | 4,970 | 226 |
| Occupational Safety and Health | 4,647 | 83 |
| Cardiovascular | 3,398 | 132 |
| Mental Health | 2,209 | 100 |
| Alcohol Misuse | 1,760 | 81 |
| Cardio-Pulmonary Resuscitation | 1,416 | 72 |
| Drug Misuse | 1,051 | 57 |
| Sex Education and Family Planning | 477 | 67 |
| All Others | 84,090 | 318 |

The average number of health promotion programs conducted per DFEOH health unit was 24 or 2 per month.

# ATTACHMENT G

| DFEOH | PRIVATE CONTRACTOR |
|---|---|
| 1. Non-profit reimbursable funds. | 1. Operates the Health Unit for profit. |
| 2. Uniform programs through all agencies nationwide because of central management and consultation. | 2. Inequalities in preventive health services - through different private contracting agencies. |
| 3. Very low turnover of OHNs. so continuity of care is maintained. | 3. Fast turnover of Nurses because of lower pay and benefits. No continuity of care. |
| 4. Entry requirement is at least 1 year occupational health nursing experience. DFEOH Nurses are specialized in Occupational Health Nursing.<br>275 OHN's have been trained to condurt comprehensive health promotion and health education programs. OHN's are also trained in specialized health screening programs as audiometry, spirometry, health and safety surveillance, crisis intervention, and alcohol and drug counselling and referral. | 4. No experience requirement for entry to employment. Since entry requirement is not on a specialty level, any new graduate RN can apply without any training in occupational health education, promotion, and screening programs. |
| 5. Worksite health promotion activities are designed to enhance productivity and reduce financial liability by:<br>a. Providing periodic screenings for early diagnosis leading to treatment.<br>b. Undertaking health risk appraisal to plan and encourage life style and other interventions to reduce risk and prevent injury or illness.<br>c. Controlling environmental hazards and risk. | 5. More financial liability to Government because of anticipated less health promotion, education, and screening activities. |
| 6. Much lower cost of providing services because of large volume purchases.<br>81 Federal Agencies participate in the FEOH health unit network system at 160 locations nationwide. Can provide "agency specific" special services through a national budgeting and billing system at scattered multi-agency sites. | 6. Estimated cost of providing services would increase at least 50 percent because of:<br>a. Anticipated higher cost of low volume purchases of EKG, Lab., health education materials and equipment.<br>b. Anticipated higher cost of professiona and support services through multiple agency contracts.<br>c. Higher administrative cost of contracting for such low dollar amount. |
| 7. Nationally standardized quality assurance program. | 7. Non-documented quality assurance program. |

## Attachment H

August 31, 1983

The Honorable Margaret Heckler
Secretary
Department of Health and Human Services
200 Independence Avenue S.W.
Washington, DC 20201

Dear Madam Secretary,

It has recently come to my attention that the Public Health Service has approved a proposal to regionalize the Federal Employee Occupational Health Program.

I have been contacted by a number of my constituents who feel that this regionalization may adversely affect their employment status with the FEOHP. They have expressed their concerns that the regionalization will result in a major reduction-in-force effort, or the services may be contracted out to the private sector.

I would greatly appreciate your advising me of the Department's plans regarding the employment status of the employees' as the regionalization process occurs. It would be a most unfortunate circumstance if these dedicated nurses were to lose their jobs.

Thanking you for your attention to this request and with kindest regards, I am

Sincerely yours,

STENY H. HOYER
Member of Congress

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## Attachment I

OCT 31 1983

The Honorable Steny H. Hoyer
House of Representatives
Washington, D.C. 20515

Dear ~~Mr.~~ Steny Hoyer:

Thank you for your letter on behalf of nurses employed by the Division of Federal Employee Occupational Health, Bureau of Health Care Delivery and Assistance, Health Resources and Services Administration, who express concern that regionalization of the Federal Employee Occupational Health program will adversely affect their employment status.

The Public Health Service approved the regionalization of the Federal Employee Occupational Health program as of October 1, 1983. Until that date, the direction and operation of 154 health units, including support services, was carried out centrally by the Federal Employee Occupational Health headquarters office in Rockville, Maryland. Responsibility for major elements of operation and support services for the 154 units was assigned to the Department's 10 regional offices. There are several advantages to this approach:

1. Regionalization will help expedite the resolution of local problems by more direct local managerial actions, since the health unit supervision is already districted into areas matching the regional office boundaries.
2. Supervision and support services will be more directly accessible to the operating health unit.
3. Health promotion and disease prevention programs will be established, operated and expanded more efficiently and successfully by coordination with other Public Health Service programs in the regions. The Public Health Service focus for such activity already exists at the regional offices.
4. Regionalization can provide for preventive programs which are more sensitive and responsive to particular local needs.
5. Regionalization will permit greater consistency of management organization and direction within the Public Health Service.

The regionalization process has resulted in no reduction-in-force of nurses in the health units. In addition, the current supervisory personnel throughout the country will continue to manage the program. In the Washington, D.C. area, where there is the greatest concentration of health units two new positions, an Area Supervisory Medical Officer position and an Area Supervisory Nurse position have been established to manage and supervise the health units locally.

You have also inquired about the possibility that some of these services may be contracted out to the private sector. The Department intends in the future to seek outside contracts for the complete operation of new health units and will consider contracting the complete operation of existing units where all of the permanent positions in a unit are vacant. The Department will, of course, provide oversight and monitoring of these operations. This contracting process will not be affected by the regionalization process described above.

Please be assured that the employment status of Federal Employees Occupational Health nurses has not changed as a result of the regionalization process.

Sincerely,

Margaret

Margaret M. Heckler
Secretary

## STATEMENT OF JUDITH MELSON, CNM, M.S., DIRECTOR, NURSEMIDWIFERY PROGRAM, GEORGETOWN UNIVERSITY SCHOOL OF NURSING, AMERICAN NURSES ASSOCIATION

Senator WEICKER. Our next witness is Judith Melson, director of the Nurse-Midwifery Program at Georgetown University School of Nursing, American College of Nurse-Midwives.

Ms. MELSON. I am representing the American College of Nurse-Midwives today. It is a pleasure to be here and to speak in support of adequate funding levels for the Nurse Training Act, title VIII of the Public Health Service Act.

The American College of Nurse-Midwives is the professional organization of certified nurse-midwives in the United States, representing 85 percent of all CNM's.

Looking at the President's fiscal year 1986 budget request, which eliminates all Federal funding for nursing education, which includes nurse-midwifery education, we have recognized that our nurse-midwifery educational programs are clearly at risk.

We appreciate this opportunity to demonstrate that there continues to be a shortage of nurses with advanced education. Continued education of certified nurse-midwives assists the United States in addressing two of the most serious national health care problems, the persistent rate of low birth weights and premature births. The Federal funding spent over the past 10 years on nurse-midwifery education have been repaid twice over by CNM services to the poor and underserved in the United States.

Only 5.6 percent of nurses have advanced nurse education which is necessary to prepare nurse-practitioners, including nurse-midwives, with specialized skills. The Nurse Training Act does not educate new nurses, instead it provides primarily advance nurse education to those already prepared at entry to practice levels.

There are only approximately 2,000 certified nurse-midwives practicing in the United States. This number grows by about 250 yearly, the number of graduates from our 28 nurse-midwifery education programs.

The demand for nurse-midwife services is growing rapidly. There are approximately 20 jobs for each graduate. Nurse-midwives make outstanding contributions to the prevention of low birth weight and have recently been highlighted by three separate groups: the National Academy of Sciences, the Institute of Medicine, the Southern Governors Association's task force on infant mortality, and the Children's Defense Fund.

The Institute of Medicine's report on preventing low birth weight, as part of its emphasis on improved access to prenatal care, calls for more reliance on nurse-midwives to increase access to prenatal care for hard to reach, often high risk groups.

Several studies have shown that women served by CNM's are especially likely to keep their prenatal care appointments and to follow treatment and self-care recommended by the nurse-midwives.

In the District of Columbia, for instance, we are directing a Community of Caring Adolescent Pregnancy Program, and in the first 2 years of operation, we have had a 3.3-percent prematurity rate in all the girls who had at least four visits, in contrast to the city's rate of prematurity which is 18.8 percent.

Looking at the cost of caring for those premature babies, we estimated that we saved the District of Columbia $600,000 in 2 years based only on 181 girls and the reduction of prematurity rate. That includes the cost of care only in the first 3 days of life. It does not include the high cost of physical and emotional care when a family has a baby which has difficulty because of low birth weight.

Today, three of our programs receive funding from the section on advanced nurse training, and 12 of the programs receive nurse practitioner funds.

I strongly urge you and thank you for your attempts to get these programs funded and to continue the Nurse Training Act.

PREPARED STATEMENT

Senator WEICKER. Thank you very much. We appreciate it. Your statement will be inserted in the record.

[The statement follows:]

## Statement of Judith Melson

I am representing the American College of Nurse-Midwives (ACNM). It is a pleasure to be here today to speak in support of adequate funding levels for the Nurse Training Act, Title VIII of the Public Health Service Act.

The American College of Nurse Midwives is the professional organization of Certified Nurse-Midwives (CNMs) in the United States, representing 85% of all CNMs. A certified nurse-midwife is an individual educated in the disciplines of nursing and of midwifery who possesses certification from the ACNM. The ACNM is autonomous from all other professional organizations and speaks for its membership on all issues affecting the practice, education, recognition, legislation and economics of nurse-midwifery. The ACNM collaborates with other professional groups which share its primary concern of quality maternal and infant health care for women and babies.

The budget deficit is forcing to center stage questions about the manner in which the United States funds nursing students and the institutions which prepare them for practice. Looking at the President's 1986 budget request which eliminates all federal funding for nursing education (which includes nurse-midwifery education), we have recognized that our nurse-midwifery educational programs are clearly at risk. We appreciate this opportunity to demonstrate to you that 1) there continues to be a shortage of nurses with advanced education; 2) continued education of certified nurse-midwives assists the U.S. in addressing two of our most serious national health care problems - the persistent rate of low birthweight and premature births, and the rapidly rising cost of health care; and 3) the federal funds spent over the past ten years on nurse-midwifery education have been repaid twice over by CNMs services to the poor and underserved in the U.S.

## NO NURSING SHORTAGE

Many policymakers feel that the nation as a whole is producing far too many doctors and at costs which are more than society, and government in particular, may be willing to bear. Although experts in the medical profession do not always agree that a surplus exists, this argument has been central to the rationale to eliminate federal funding of the health professions (see President's veto of S.2574).[1] To set the record straight in relationship to nursing, only 5.6% of nurses have advanced nurse education which is necessary to prepare nurse-practitioners, including nurse-midwives, with specialized skills. The Nurse Training Act does not educate new nurses, instead it provides primarily advanced nurse education for those already prepared at entry to practice levels. To set the record straight in relationship to nurse-midwifery, there are only approximately 2000 certified nurse-midwives practicing in the U.S. This number grows by about 250 yearly, the number of graduates from our twenty-eight midwifery educational programs. (All of our programs have been accredited by the U.S. Department of Education and graduation from a program qualifies the nurse to sit for the ACNM's national certifying examination.)

In contrast, the demand for nurse-midwifery services is growing rapidly. For example, a health attitude survey of consumers indicates that 15% of those polled preferred alternatives to traditional obstetrical services provided by hospitals.[2] Currently there are only enough nurse-midwives to deliver 2% of infants born in hospitals. More important, perhaps, the midwifery services that provide care for the poor cannot recruit CNMs to available job openings because of the low supply of nurse-midwives in the U.S.

## CNMs PREVENT LOW BIRTHWEIGHT

Nurse-midwifery care has been continuously scientifically scrutinized over the last 60 years and each study has shown that nurse-midwives provide safe care.[3] In addition, CNM's outstanding contributions to the prevention of low birthweight have recently been highlighted by three separate groups - the National Academy of Science's Institute of Medicine, the Southern Governors' Association Task Force on Infant Mortality, and the Children's Defense Fund.

The Institute of Medicine's Report Preventing Low Birthweight, as part of its emphasis on improved access to prenatal care, calls for "more reliance...on nurse-midwives...to increase access to prenatal care for hard-to-reach, often high-risk, groups."[4] This recommendation is based on studies that indicate that certified nurse-midwives can be particularly effective in managing the care of pregnant women who, because of social and economic factors, are more likely to deliver low birth weight babies. Several studies have shown that women served by CNMs are especially likely to keep their prenatal care appointments and to follow treatments and self-care recommended by the nurse-midwives.[5] This theme of providing access to care has been a tradition of nurse-midwifery since its early days.

The Southern Governors' Association Task Force on Infant Mortality[6] echos these recommendations, as does the Children's Defense Fund's Manual on Providing Effective Prenatal Care Programs for Teens.[7]

Congress too has been supportive of nurse-midwifery by mandating inclusion of nurse-midwifery care in CHAMPUS and Medicaid and 16 state governments have mandated reimbursement to CNMs by private insurance companies operating in that state.

## CNMs ARE COST-EFFECTIVE

The demand for the services by certified nurse midwives, then, is based on documented quality care, consumers' choice of family-centered maternity care, and, increasingly, on the knowledge of the cost-effectiveness of the care provided. In this regard, not only does CNM utilization improve access to care and thus prevent low birthweight and the associated costs of high-tech neonatal care, it also leads to other financial benefits for consumers and public or private payers. For example, expensive laboratory tests, drugs and technologies are used only when clinically indicated, and not routinely. Nurse-midwives have implemented programs which decrease or avoid the use of hospitals, such as early discharge programs and free standing birth centers. A number of other factors may also contribute to the cost-effectivess of nurse-midwives.

- The education of families about childbirth often alleviates the need for anesthesia and its related costs.
- It costs considerably less to educate a CNM than a physician.
- The earned incomes of CNMs are only a fraction of those of physicians.

## HEALTH SERVICES TO THE UNDERSERVED

The return on the federal government's investment in nurse-midwifery education has been substantial. Since its beginning in eastern Kentucky, nurse-midwifery care has been introduced to other medically underserved areas characterized by poverty, geographical isolation, and other social factors associated with poor obstetrical outcomes. Today the tradition of providing care to the poor continues. More than one half of our practicing CNMs provide health care to the underserved. This is especially important in light of new information which indicates that obstetricians are caring for smaller numbers of Medicaid clients.[8] Again, federal funds for nurse-mdiwifery education have been well spent.

## HISTORY OF FEDERAL FUNDING

The Division of Nursing within the U.S. Department of Health and Human Services has funded nurse-midwifery education since 1972. Today three of our programs receive funds from the section on Advanced Nurse Training and 12 received Nurse Practitioner funds. Directors of all twenty-eight educational programs are seeking additional sources of funding - from state governments, from private foundations and from faculty generating service dollars. This practice is dependent on the state laws under which a CNM is licensed as well as the CNM's ability to gain hospital privileges - barriers to practice which still restrict nurse-midwifery in some areas of the country. In fact, the availability of this option for nurse-midwifery faculty is much more limited than for faculty at medical schools. Faculty are further limited since they provide care for poor patients and this type of health care service cannot subsidize the educational programs. The problem is compounded by the rigorous clinical demands on midwifery students - the number of hours in clinical settings as well as the unpredictability of the hours. This contributes to the almost non-existance of a work/study type program. In summary, federal funding has been critical to sustaining nurse-midwifery education and continues to be so.

SUMMARY

o The American College of Nurse-Midwives urges Congress to appropriate funding levels adequate for the educating of sufficient numbers of nurse-midwives and other nurses with advanced nurse education.

o Certified nurse-midwives have a rich tradition of providing access to care for the poor and other underserved populations.

o Continued growth of nurse-midwifery in the U.S. will help address two serious national health problems - the persistently high rate of low birthweight and premature births, and the rising cost of health care.

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4. National Academy of Sciences, Institute of Medicine, Preventing Low Birthweight, National Academy Press, Washington, D.C. 1985, p. 161.
5. Ibid., p. 160.
6. Southern Regional Task Force on Infant Mortality, Interim Report, Southern Governors' Association. February 24, 1985.
7. Rosenbaum, Sara, The Children's Defense Fund's Adolescent Pregnancy Prevention/Prenatal Care Campaign, Washington, D.C., 1985.
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## STATEMENT OF JUDITH B. KRAUSS, DEAN, YALE UNIVERSITY SCHOOL OF NURSING, AMERICAN ASSOCIATION OF COLLEGES OF NURSING, NATIONAL LEAGUE FOR NURSING, AND AMERICAN NURSES ASSOCIATION

Senator WEICKER. The next witness is Judith Krauss, acting dean, Yale University School of Nursing, American Association of Colleges of Nursing, National League for Nursing, and the American Nurses Association.

Ms. KRAUSS. I might correct you, Mr. Chairman, I am now the dean of the school of nursing.

Senator WEICKER. You are the dean, congratulations. Sometimes, when I hear about the problems of deans, I am not sure——

Ms. KRAUSS. I shouldn't state it quite so proudly, should I.

Senator WEICKER. You should. You should be very, very proud, with all the problems and burdens pertinent thereto. I want to congratulate you, and certainly it is a wonderful institution.

Let me say this, to all those who are testifying, as you know, we are in the process of negotiating with the administration on several items, one of which has to do with these programs relative to nurse training. These programs, as you know, were all slated by the administration and by the compromise for zero funding. I would hope that we could put back substantial funds in any compromise that I arrive at. I am quite hopeful that is going to take place. The interest and the care that all of you show by coming here and testifying is enormously important. It doesn't make much sense for me to be out there battling for funds if nobody else speaks up, especially those who are impacted to the greatest degree.

I think, I am keeping my fingers crossed, we will know either by the end of today or at the very latest at the beginning of next week whether or not these funds are going to be put back. I am hopeful that they will be, and I think all of you can take a good share of the credit for the interest that you have shown and the fact that you have spoken up.

So you are not on a fool's mission, any of you. Very positive results, hopefully, will come out of all of this.

How is the weather in New Haven? Did you come in this morning or last night?

Ms. KRAUSS. I came down last night. I haven't seen much of the weather lately.

I might add, on a personal note, apropos of your comments, rumors have reached me that you are asked all the time: Is it really true that the Yale School of Nursing would go under if these things are not funded? You can tell them, indeed, 50 percent of our budget, our operating budget on an annual basis, comes from programs funded just like these. So if we value the kinds of programs that our schools and schools across the country are sponsoring as a result of this funding, go right ahead and tell them, Mr. Chairman, that these moneys are crucial to nursing and to nursing education.

I am here actually on behalf of the American Association of Colleges of Nursing, on behalf of the ANA, and on behalf of the NON, and I am sure I needn't tell you that I am representing one very large group and diverse group of nurses.

As you know, we are in a period of rapid change with regard to the provision of health care services in this country, and because we share your desire to assure quality health care in this country, we really firmly believe that Federal support in the form of nurse education support is essential and necessary.

In order to improve access to essential health care services, especially for the elderly, there is a growing and special need for nurses prepared with graduate education and undergraduate education, documented in short supply nationwide.

A 1985 preliminary report from the General Accounting Office stated that there has been an increase in the use of nursing home and home health care services by Medicare beneficiaries, yet the administration proposes to cut Medicare and Medicaid programs such as home care, intermediate, and skilled nursing care that serve the posthospitalization needs of the elderly and the poor. By so doing, the burden of deficit reduction would fall on members of society who could be considered society's most vulnerable groups, those who have already borne more than their fair share of budget cuts in recent years.

We all know that nurses, perhaps more so than any other health care discipline, are the individuals who are taking care of those individuals.

Nursing care in the home is one of the primary health needs of the elderly. As a result of prospective payment, nurses in the community are caring for patients who are discharged from hospitals sooner, they are sicker, and they are in need of more intensive nursing care in the community.

The onset of prospective payment has also changed the provision of nursing care in the hospital, particularly in intensive care units. Patients in these units require highly technical, continuous nursing care. Nursing decisions are becoming increasingly complex in this new high tech/high pressure environment.

In light of the more severe case mix in the acute care settings, as well as the accelerated use of alternative settings, such as the home, hospice, and health maintenance organizations, we are in need of continuing the advanced training programs that are preparing nurses at these more complicated levels of decisionmaking and clinical judgment.

The Nation needs to be assured of an adequate supply of well-prepared nurses to meet these changing trends. In fiscal year 1985, Congress appropriated some $208 million to support 23 different health profession programs. Nurse training received $66.7 million of that amount. The administration has proposed the elimination of all health professions, as you have just indicated.

A 1983 Institute of Medicine report concluded that nurses with high-quality graduate education are a scarce resource. The IOM report recommended an increase in the number of nurses with skills commensurate to the growing complexity of care in the health care settings.

In the fourth report to the Congress on the status of health personnel in 1984, the Department of Health and Human Services projected that by the year 2000 the need for nurses with master's and doctoral degrees will be approximately 400,000, while only 200,000 will be available.

In light of these facts, we would recommend the following: that advanced nurse training programs that provide institutional support to collegiate schools of nursing for the advanced preparation of nurses as administrators, as educators, as nurse clinicians, and as nurse researchers, be continued; that projects recently funded address gerontology, home care, public health, primary care, and acute care; and professional traineeships for nursing students at the graduate level, who will serve as educators, managers, nurse practitioners, and clinical specialists, must be continued.

I needn't speak to the issue of need line admissions and the need to admit the most qualified based on their ability to perform the complex nursing tasks, rather than their ability to pay.

Nurse practitioner programs that train nurse practitioners to work in settings such as the home, long-term care, and ambulatory care facilities must be continued. Special projects that provide continuing education for nurses improve the distribution of nurses by geographic area and specialty, and increased baccalaureat and other nursing education opportunities for individuals from disadvantaged backgrounds must also be included.

Mr. Chairman, we gratefully acknowledge the committee's acknowledgement and continued interest in the need for Federal funding. We particularly acknowledge your efforts on behalf of health care, and particularly on behalf of nursing. We would appreciate the support that you and the members of this committee have given in the past and will continue to give to programs of great importance to nursing, but I might add, programs of great importance to the health of this Nation.

Thank you.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much. I couldn't agree with you more. I greatly appreciate your testimony. We will insert your statement in its entirety in the record.

[The statement follows:]

## Statement of Judith B. Krauss

Mr. Chairman, I am Judith Krauss, Dean, at Yale University School of Nursing. I appear today on behalf of the American Association of Colleges of Nursing, representing 382 colleges and university schools of nursing; the American Nurses' Association, representing 188,000 nurses throughout 50 state nurses' associations; and the National League for Nursing, comprising 2,000 institutions and 17,000 individual members.

As you know, Mr. Chairman, we are in a period of a very rapid change with regards to the provision of health care services in this country. Because we share your desire to assure quality health care, we firmly believe that continued federal support of nurse training is necessary. An adequate supply of nurses must be available to work in today's complex health care environment, if we can hope to improve access to essential health care services, especially for the elderly.

A 1985 preliminary report from the United States General Accounting Office addressed the impact of the Medicare Prespective Payment System (PPS) on post-hospital care. The report stated that there has been an increase in the use of nursing home and home health care services by Medicare beneficiaries. Yet the Administration proposes cuts in Medicare and Medicaid programs, such as home care and intermediate and skilled nursing care, that serve the post-hospitalization needs of the elderly and the poor. Elderly persons are more likely to have low incomes and therefore are not in a position to absorb the proposed additional cuts in these programs. The Administration's proposals would force the elderly to either increase their already high out-of-pocket expenses or decrease their access to post-hospital care. In our view, the burden of deficit reduction is falling on members of society's most vulnerable groups who have already borne more than their fair share of budget cuts in recent years.

Nursing care in the home is one of the primary health needs of the elderly. As a result of PPS, nurses are caring for patients who are discharged from hospitals sooner, are sicker, and are in need of more intensive nursing care. In addition, the onset of PPS has changed the provision of nursing care in hospital cardiac critical care units and intensive care units. Patients in these units require highly technical, continuous nursing care. Nursing decisions are becoming increasingly difficult and complex in this new high tech, high pressure environment. In light of the more severely ill case-mix in acute care settings, as well as the accelerated use of home care, nursing homes, health maintenance organizations, and other ambulatory settings, the nation needs to be assured of an adequate supply of well-prepared nurses.

In FY85, Congress appropriated some $208 million to support 23 different health professions programs; nurse training received $66.7 million of that amount. The Administration has proposed the elimination of all health professions' education funding on the basis of projected surpluses of physicians in most specialty areas. The Administration also believes that there is no longer a shortage of nurses, despite documentation to the contrary. Nursing shortages do continue to exist in certain geographic areas of the country, in certain practice settings such as intensive care units, and among nurses with specialized training. An adequate number of nurses prepared in gerontology, home care, public health, primary care, and critical care is also of concern. A 1983 Institute of Medicine (IOM) report concluded that nurses with high quality graduate education are a scarce resource. The IOM report recommended an increase in the number of nurses with skills commensurate with "the growing complexity of care in many health settings."

In the Fourth Report to the Congress on the Status of Health Personnel, 1984, the Department of Health and Human

Services (HHS) projected that by the year 2000, the need for nurses with master's and doctoral degrees will be approximately 400,000, while only 200,000 will be available. These figures are alarming in light of the results of a 1980 sample survey of RNs by HHS which showed that only five percent of all RNs have master's and less than one percent have doctorates. The Fourth Report recommended continued federal support "to assist in filling the unmet needs for nurses prepared as teachers, administrators, or clinical specialists."

We must again request the opposition of this committee to the Administration's massive cuts in nursing education and research programs. Mr. Chairman, it is obvious that federal involvement in nursing education has been an overwhelming success and needs to be continued. Therefore, we ask the committee to continue to fund the following programs currently included in Title VIII of the Public Health Services Act.

## Advanced Nurse Training

Advanced Nurse Training monies provide institutional support to collegiate schools of nursing for the preparation of nurses at the master's or doctoral level. These programs are preparing gerontology clinical specialists, specialists in maternal and child health, nurse-midwifery, community health as well as nurse managers and educators.

Specific examples include:

- A new master's program in community health at Eastern Kentucky, University at Richmond.
- A new doctoral program at the University of Kentucky.
- Seventeen gerontology programs, a good example being the University of South Florida in Tampa, which uses a variety of clinical training sites including nursing homes and respite services.

## Professional Traineeships

Professional Traineeships are provided to nursing students at the graduate level who will serve as educators, managers, nurse practitioners and clinical specialists. Lowering financial barriers encourages full-time study and access to advanced education opportunities for all talented students. Unfortunately, the costs of education have escalated while the monies for traineeships have not, thus making it possible to provide only partial tuition support for most recipients. There are currently 150 schools participating in the Traineeship program.

## Nurse Practitioner Training

The Nurse Practitioner program supports the development of programs for the training of nurse practitioners (NPs) to work in settings such as the home, schools, long-term care, and ambulatory care facilities. These programs are training nurses in primary care who are able to perform health assessments, physical examinations, manage minor acute conditions and chronic illnesses, provide health promotion and disease prevention, and provide instruction, counseling, and coordination of services.

Numerous studies document the cost effectiveness of NPs in providing primary care. According to a recent estimate, over 50% of the nation's NPs work in rural or inner city areas and over one-third practice in communities of fewer than 25,000 people. Hence, NPs have made a significant impact on improving access to and quality of care for underserved populations.

Examples of current funded projects include:

- The family nurse practitioner and nurse midwifery programs at the Frontier Nursing Service in Kentucky.
- The Yale University nurse midwifery program along with the pediatric and family nurse practitioner programs.
- Twelve gerontology programs, such as the program at the University of Lowell, Massachusetts, where faculty have developed a nurse clinic for the elderly in a senior citizen center, and the family/gerontology program at the University of Utah.
- A nurse midwifery program at the University of Southern California, Los Angeles where the nurse-midwives are serving the Hispanic and Asian

populations who were not receiving adequate prenatal care.

## Special Projects

The purpose of grants and contracts awarded under special projects is to develop innovative approaches for improving the quality and availability of nursing care. Specific purposes include: increasing nursing education opportunities for individuals from disadvantaged backgrounds; providing continuing education for nurses; improving the distribution of adequately trained nurses by geographic area and specialty; and upgrading the skills of paraprofessional nursing personnel.

Examples of currently funded projects include:

- Pre-nursing programs for disadvantaged students at Richmond Technical College, Hamlet, North Carolina and Jackson State University, Mississippi.
- Outreach programs that make nursing education more available in rural areas, such as those in Montana, Kansas, and Michigan.
- The University of Kansas program to improve the distribution of community health nurses who are prepared in assessment and management of care for the frail elderly.
- Continuing education programs for nurses of the Navajo Nation, the Trust Territories of the Pacific Islands and Guam, and Puerto Rico.

The IOM Study also expressed strong reservations about the underfunding of nursing research. A recent study of nursing research prepared for the Office of Health Planning and Evaluation, Office of the Assistant Secretary for Health, U.S.P.H.S, commented on the negative impact of irratic funding for nursing research.

Nursing research spans a wide range of investigation areas with a focus on developing knowledge about care to persons in health and disease, for prevention and treatment. There were 92 research grants funded in FY 1984, many focusing on how to provide cost-effective health care services to populations at risk. Nursing interventions to prevent pressure sores of elderly nursing home residents are being tested, as are methods to control nausea and vomiting in patients receiving cancer chemotherapy and methods to improve recovery from cardiac surgery. Other projects are studying the effectiveness of innovative health education program for elementary school children and nursing interventions for patients with hypertension. The Nursing Research Fellowship program made 117 awards to nurse investigators in support of pre- and post-doctoral training.

We gratefully acknowledge the committee's understanding of the continued need for federal funding for nursing research.

Mr. Chairman, we appreciate the support that you and the members of this committee have given in the past to programs of great importance to nursing. We ask for your continued support of these nursing education and research programs at sufficient funding levels to maintain current services. Thank you.

## STATEMENT OF FAYE WATTLETON, PRESIDENT, PLANNED PARENTHOOD FEDERATION OF AMERICA, INC.

Senator Weicker. Our next witness is Judith L.B. Johnson, the Nurses Coalition for Legislative Action. Is Dr. Johnson in the room?

I see that our good friend Faye Wattleton has arrived. I know what it was like coming in from the airport because I go right by it, and I have never seen such traffic jams. I am glad you are here with us.

Ms. Wattleton. Thank you, Mr. Chairman.

Before I give my prepared remarks, I would like to say to you that as a professional nurse and a nurse-midwife, I would not be sitting before you today had it not been for the Nurse Training Act. I came from a very humble background, I didn't have the means to go to graduate school, and I would not have gone on to complete my professional education. So I highly recommend this program, and sit before you as witness to its value.

I am Faye Wattleton, as you have indicated, representing more than 20,000 volunteers and staff who run our 186 affiliates throughout the country. I am again happy to be with you to talk to you about a concern that we have and continue to have and that is the National Family Planning Program.

As you know, title X of the Public Health Service Act is the core of the National Family Planning Program, providing subsidized services to low-income women and teenagers. We are confident that you and Congress will continue your longstanding bipartisan commitment to family planning this year, and reauthorize the title X program, basically in its current form.

Last year, Congress approved a modest funding increase for title X through the continuing resolution. Although we are fully aware of the budget pressures, we believe that an increase in the funding for title X is possible and is, in fact, wise because of the savings that will result from investment in other Government programs that will be necessary and will be unavoidable if unintended pregnancies are not prevented.

Additionally, we urge the subcommittee to increase support for human reproduction and population research specifically authorized under title X, section 301, of the Public Health Service Act.

It is estimated that the title X program each year prevents 800,000 unintended pregnancies, about 425,000 of those among teenagers. If these pregnancies had occurred, there would have been an estimated 282,000 additional births and 433,000 more abortions last year, in the single year alone.

In addition to providing family planning and infertility services, the title X programs also provide health screening assessment, and other treatments that once again prevent the need for more costly Government investment.

As Secretary Heckler has testified recently, "family planning is a vital health program for women in this country." It is often the first place that women, especially teenagers, receive any formal medical care.

The effects of the 22-percent reduction in title X funding in 1982 have been severe. Straining to avoid turning away patients, various services that have been important aspects of title X programs have been dropped, especially those community services that reach out to young men, and that reach out to those people who are hardest to reach.

It has been very difficult to maintain, much less expand services, and in some cases clinics have discontinued their family planning services.

The $16 million increase approved by title X in fiscal year 1984, and the $2.5 million added to the current fiscal year, bringing title X funding from $124 million in fiscal year 1982 to $142 million in fiscal year 1985, were helpful but inadequate based on the magnitude of the problems.

Unfortunately, the health and social services, as well as the economic circumstances of intended pregnancy and childbirth especially among poor women and teenagers have not been able to go away as a result of the congressional budgetary restraints. EPSA, therefore, requests a total funding level of $185 million during fiscal year 1986 for the programs authorized under title X. This recommendation is made in the absence of formal guidance from Congress, but we believe that it would restore some of the losses that have been sustained in the program and result in larger numbers of people receiving family planning services, and avoiding unintended pregnancies.

We support funding next year for the program at its current level of authorization, which is $163 million. In addition, we hope that in the reauthorization process Congress will appreciate the necessity to require information and education programs to be strengthened.

We are optimistic this year that the new law will also include special, short-term supplementary funding for contraceptive research, development, and evaluation. Following the suggestion made by the 1982 Office of Technology Assessment report, we believe that there are a number of leads that could be brought to utilization if these leads are pursued.

The title X reauthorization proposal last year in the House was $20 million for contraceptive research, and $2.8 million for an expanded information and education initiative over and above the currently authorized $700,000. We support that level of funding.

PREPARED STATEMENT

I have submitted a more complete report and statement for the record, Mr. Chairman, but in the interest of time, and in the interest of the red light, I will be happy to stop now and respond to any questions that you may have.

I would like to once again thank you for your extraordinary leadership in supporting family planning.

[The statement follows:]

## STATEMENT OF FAYE WATTLETON

### INTRODUCTION

I am Faye Wattleton, President of the Planned Parenthood Federation of America (PPFA). On behalf of the more than 20,000 volunteers and staff who run our 186 affiliates in 46 states and the District of Columbia, the 400,000 individuals who contribute to our organizations, and most importantly, the more than two million women and men who are served by our clinics each year, I want to thank you and this subcommittee for the opportunity to present our views on the need to strengthen the national family planning program through increased medical and education services as well as expanded research in contraceptive technology and human reproduction.

As you know, Title X of the Public Health Service Act is the core of the national family planning program, providing subsidized services to low-income women and teenagers. The administration is once again seeking Title X's repeal in favor of placing it in a primary care block grant to states. We are confident that Congress will continue its long-standing, bipartisan commitment to family planning this year and reauthorize the Title X program basically in its current form.

Last year, Congress approved a very modest funding increase for Title X At the time, it reaffirmed its position that the Department of Health and Human Services (DHHS) should return the administration of Title X to the Health Resources and Services Administration, from which it was suddenly transferred by DHHS in 1983 to the Office of the Assistant Secretary for Health. Inexplicably, the Department continues to defy Congress' unambiguous directive regarding the Office of Family Planning. And it can hardly be denied that the management of the Title X program, which was supposed to have improved under this new administrative arrangement, has, in fact, deteriorated. In the meantime, the need and demand for subsidized family planning services throughout the country remains very real.

Although we are fully aware of the budgetary pressure on this committee, we are requesting that you increase funding for Title X. We do so because Title X's record of accomplishment shows that an investment in this program results in tremendous savings in health care and social services costs that the government would be obliged to pay.

Of 36 million American women who are seeking to avoid pregnancy, three million are using no contraception, and another three million are using the least effective methods. The most common reason cited for using no method is the fear of possible side effects. It is critical that further studies be pursued to identify the specific risk factors that do exist. At the same time, intensified research in the development of new and improved methods of contraception could greatly enhance our ability as a society to lower the staggering 55 percent incidence of unintended pregnancy that still exists in this country today. We, therefore, urge this subcommittee to increase support for human reproduction and population research, specifically authorized under Title X and Section 301 of the Public Health Service Act, and to place particular emphasis on contraceptive technology.

## FAMILY PLANNING SERVICES

Mr. Chairman, in 1981 alone, it is estimated that approximately 800,000 unintended pregnancies — 425,000 among teenagers — were averted as a direct result of the national family planning program. If these pregnancies had occurred, there would have been an estimated 282,000 additional births and about 433,000 more abortions in that year alone. In addition to providing basic contraceptive services (including natural family planning) and infertility diagnosis, Title X clinics also offer health screening assessments and either simple treatments or referral for anemia, hypertension, cervical and breast cancer, sexually transmitted diseases, kidney dysfunction and diabetes. As DHHS Secretary Margaret Heckler recently testified, "family planning is a vital health care program for women in this country," and it is often the first place women — and especially teenagers — receive formal medical care.

As you know, Mr. Chairman, these services are made available at a tremendous cost-savings to the government. Each dollar invested in family planning yields a two-to-three dollar savings in the next year alone in health and welfare costs associated with pregnancy and childbirth — to say nothing of the social costs that usually accompany the arrival of an unwanted child.

In 1981, there were 9.5 million poor women and five million teenagers at risk of unintended pregnancy. It is estimated that there are at least as many, if not more, women in need today because of economic conditions. In 1983, the organized clinic system made family planning services available to 5 million women, 1.6 million of whom were teenagers and 80 percent of whom were low-income. Title X continues to be the single largest source of funds for this network, comprising 34 percent of the total federal and state expenditures. Primarily through the help of Medicaid or other special arrangements, an additional 3.2 million women were able to obtain contraceptive services from private physicians. The rest were left without care.

The effects of the 22 percent reduction in Title X funding in FY 1982 have been severe. Straining to avoid turning patients away, clinics around the country were forced to reduce the scope of their services, especially community outreach and male involvement activities, and they have found it difficult to maintain, much less expand, educational programs geared towards adolescents and their parents. The $16 million increase approved for Title X in FY 1984 and the $2.5 million added for the current fiscal year — bringing Title X funding from $124 million in FY 1982 to $142.5 million in FY 1985 — were helpful, but inadequate to the magnitude of the problem. Unfortunately, the individual and societal health, social and economic consequences of unintended pregnancy and childbirth, especially for poor women and teenagers, have not been sensitive to Congressional budgetary exigencies. Even as the budget debate unfolds over the next several weeks, insufficient access to subsidized family planning services today will exact significant costs from women and their families from the federal government — and from society as a whole — tomorrow.

Looking beyond the statistics and the proven record of accomplishment of Title X grantees, I believe the time has come to question the motives and the illogical proposals of family planning opponents. These attacks and calls to curtail or eliminate the delivery of family planning services come almost exclusively from organizations whose primary mission is to outlaw safe, legal abortion. Do they not realize that eliminating the Title X Program would lead to an increase in abortions? That deterring teenagers from seeking contraceptives by imposing a parental consent or notification requirement would lead to more pregnancies among teenagers and more abortions? That excluding Planned Parenthood and other groups who believe in reproductive freedom from the Title X program or from contracting for delivery of family planning services at home or overseas can lead only to more abortions?

The lines have been clearly drawn on the abortion debate in this country and in the Congress. And yet, some members of Congress, though not enough, who vote consistently to limit abortion rights, especially for poor women, are among the strongest supporters of family planning. While divisions on the question of abortion's legality persist, I submit that we must all work together in supporting the means to reduce the need for abortion, an option that no one chooses without careful consideration and personal sadness.

## RESEARCH

Title X currently authorizes research in the reproductive sciences, social and behavioral studies, contraceptive development and contraceptive evaluation. The National Institute of Child Health and Human Development (NICHD) administers all these areas of research, which together are presently funded at approximately $105 million. Perhaps part of the reason this area of study receives such a low priority at the National Institutes of Health (NIH) is that NIH is mainly disease-oriented, whereas research of this type mainly benefits healthy people. The irony, of course, is that the strides we are able to make as a society in this field directly touch the lives of virtually all Americans and people around the world.

In the area of reproductive sciences, analogues to the hormone LHRH have been produced and are being examined for potential use as both contraceptives and treatment for infertility. Similarly, much of what we know today about the tremendous health, social and economic costs of adolescent pregnancy — to the adolescents and their families as well as society as a whole -- has been generated by work in the social and behavioral research component. It is extremely important that greater financial support is given to all research in human reproduction and population.

We are especially concerned, however, about contraceptive research. We know now that there probably will never be a single perfect contraceptive, since individual circumstances change over a lifetime, as do family planning goals and attitudes. The degree to which an individual will accept medical risks associated with contraception, balanced against the risk of pregnancy and inconvenience associated with contraceptive uses, will vary from one person to another as well as with the individual during different stages of her life. In spite of the universal interest in better contraception, federal support for development of new or improved methods, as well as for the evaluation of the safety and effectiveness of current ones, has actually declined since FY 1981. Of the $105 million now spent for all work at NICHD's Center for Population Research (CPR), only $7.7 million goes toward contraceptive development and $3.5 million for evaluation. Just three years ago, the Office of Technology Assessment (OTA) recommended an additional $20 million annually for federal funding in contraceptive technology, noting that available research opportunities are only waiting to be more fully exploited. For example, a small capsule that is implanted under the skin and that slowly releases a contraceptive hormone for a period of five years, has been approved in Finland and is being introduced in several developing countries. It has not yet been approved here, pending additional research. Concerning evaluative studies, much more research is necessary to better understand the risks associated with the intrauterine device (e.g. pelvic inflammatory disease) and pill use (chlamydia). We therefore endorse a specific increase for contraceptive development and evaluation to pursue existing leads for new methods and provide reassurance about current ones.

## SUMMARY AND RECOMMENDATIONS

PPFA requests a total funding level of $185 million during FY 1986 for the programs and activities authorized under Title X of the Public Health Service Act. This recommendation is made in the absence of any formal guidance from Congress since Title X has not yet been authorized for FY 1986. We recognize that the final Title X appropriation will, in large measure, ultimately be decided within the context of the larger budget debate. PPFA's recommendation, however, derives from an analysis of the urgent need for subsidized services and can be justified by significant reductions in expenditures that would be required in other programs.

We support funding next year for the program as it currently stands at this year's authorization of $163 million. This would merely restore funding for the program to its FY 1981 level, not accounting for inflation. In addition, we expect that in the course of the reauthorization process, Congress will appreciate that the information and education section of the law must be strengthened in order to more effectively redress the misunderstandings that exist among adults as well as teenagers concerning the risks and benefits of contraception and to help people to make more effective use of contraceptives.

We also are optimistic that this year the new law will include a special, short-term supplementary fund for research in contraceptive development and evaluation following the suggestion made in the 1982 OTA report. Both the special contraceptive research fund and the expanded information and education section were incorporated into a Title X reauthorization bill proposed last year in the House, and we endorse that bill's proposed funding levels: $20 million for contraceptive research and $2.8 million for an expanded information and education initiative, over and above the currently authorized $700,000.

## TITLE X FUNDING

| | | |
|---|---|---|
| PPFA FY 1986 Request: | $185 Million | |
| | (Family Planing Services: | $158 million) |
| | (Information and Education: | $3.5 million) |
| | (Training: | $3.5 million) |
| | (Contraceptive Research Fund: | $20 million) |
| FY 1985 Appropriation: | $142.5 million | |
| | (Family Planning Services: | $135.8 million) |
| | (Information, Education and Training: | $5.6 million) |
| | (Evaluation & Contingency: | $1.1 million) |

For the Center for Population Research, funded under NICHD, PPFA requests $118 million, which is NICHD's professional judgment recommendation for FY 1986. Beyond that, we would recommend that, if a special supplementary fund for contraceptive technology is not approved through the reauthorization process, Congress take steps to ensure that within any overall increase for CPR, contraceptive development and evaluation be given a higher priority than has been the case in the past.

## RESEARCH FUNDING UNDER SECTION 301, PHSA

| | |
|---|---|
| PPFA FY 1986 Request | $118 million |
| FY 1985 Appropriation: | $105 million |

Senator WEICKER. Thank you very much, Faye.

We have a legislative battle, not only an appropriations battle.

Ms. WATTLETON. We have had for the past 4 years, and we anticipate another one this year. Because of your leadership, we have been able to win those legislative battles and to maintain some measure of integrity in the appropriation, but certainly not adequate and not to the level of the tremendous cuts that have occurred.

Senator WEICKER. Certainly the problem hasn't diminished, has it?

Ms. WATTLETON. The problem certainly has not diminished, Senator. If you recall the most recent study that was done comparing the incidence of teen pregnancy among American teenagers with those of other developed countries, we lead the world in the incidence of teenage pregnancy, and we are the only country in which teenage pregnancy is on the increase. The title X program is really the only organized program that young people can have ready access, and it has really been the program that has made family planning widely available to teenagers. All of the other programs are constructed and formulated around social services, Medicaid, those kinds of programs that require parental involvement and a determination that the family should be provided assistance rather than the individual.

Senator WEICKER. I just wonder sometimes as to how these problems are going to be resolved. We have all this big push on the matter of abortions. I remember everybody saying, during the abortion battle on the floor, that there shouldn't be any Federal funding insofar as abortions are concerned. I don't want to get into that issue now, but I well remember much of the reasoning of those who were opposed to the funding was that we don't object to money going into family planning. Then the next thing we know is that they don't want any money for family planning. I don't understand how the situation can be considered rational.

Ms. WATTLETON. It is not rational. There are many incongruities. The administration is outspoken to the legal abortion in this country and, as you know, has proposed the end of this program for the past 5 years. It is not rational. Senator Hatch has been a vocal opponent of the program, which I suppose——

Senator WEICKER. If the abortion thing is out, and family planning is out, how are we supposed to resolve this problem?

Ms. WATTLETON. Presumably, we are supposed to resolve it within the family, so that the families that are self-sufficient and can rely on their own resources will take care of these problems. The reality does not support that contention. With the increase in single parent households that we see in this country, many of them of young people who had a first pregnancy in their teens, that is simply not a rational response to what is a terrible tragedy and a terrible problem in this country.

Title X, by statute, prohibits any use of funds for abortion related activities. As you know, the family planning providers in this country have been the focus of numerous Government audits that have been stimulated by several of your colleagues. So those funds have been totally used for family planning and for prevention programs.

Senator WEICKER. I have watched the progression here, and I have watched the abortion battle, and then watched the cutting of the funding, and indeed the legislation for title X. Then I listened to the President's State of the Union address, in any event, if everything else fails here, there are plenty of loving families out there who would like to adopt a child.

When I heard that, I don't mind telling you what ran through my mind, as long as the child is healthy, and as long as the child is white. This type of a generality just doesn't work either.

Ms. WATTLETON. I would also like to share with you a very personal response that I have to those kinds of statements. Pregnancy is not an insignificant event in the life of a woman.

Senator WEICKER. You are right.

Ms. WATTLETON. No woman should be forced to have a child for another against her will.

It seems to me that statements of that nature seem to demean the value of women and the needs of women, that women's needs should be ignored because there are others who have needs. For those women who desire to continue their pregnancy, it is certainly admirable that there are individuals who seek to adopt their children, but there are many children who do not meet the criteria that you have just suggested, who are unadopted and who will probably remain in foster care for the majority of their childhood.

Senator WEICKER. I admire all of you for the work that you are doing and the way you hang in there. I am in this business because I want to be in it.

I will tell you, the very simplistic responses to the very complex problems that exist today are just appalling. All of you have to live with these complexities. As you say, there are real tragedies out there, regardless of people's philosophies, or anything else, they don't go away.

Ms. WATTLETON. Senator Weicker, I am in it because I want to be in it also. I am in it because 15 or 16 years ago, I cared for people who died as a result of unintended pregnancies, unwanted pregnancies that they desperately sought to end, and unfortunately gave their lives as a result. It seems to me that even in my twenties, it was much more rational and humane for a society to adopt a national policy to prevent these situations than to cause women to sacrifice their lives as a result.

I just don't see that there is really any choice but to continue on and hang in because the lives and the health of women and, therefore, our country and our future really depend on it.

Senator WEICKER. Thank you very much for your testimony and your work.

Is Judith Johnson here now?

Ms. JOHNSON. Yes.

Senator WEICKER. Why don't you step forward and go ahead with your testimony.

## STATEMENT OF JUDITH L.B. JOHNSON, R.N., PH.D., NURSES COALITION FOR LEGISLATIVE ACTION

Ms. JOHNSON. Mr. Chairman, I am very happy to be here today to present testimony on the behalf of the Nurses Coalition for Legislative Action.

I am Dr. Judy Johnson from Minneapolis, MN. I am president of the Oncology Nursing Society, which is an organization of cancer nurses.

The Nurses Coalition for Legislative Action is open to every national nursing organization and is comprised of 30 nursing organizations in our country. We have united together to seek passage of the Nurse Education Act of 1985.

This act, as you well know, has been presented again after last year successfully getting it through Congress, and then it being vetoed by the President. It is an act that addresses several areas of nursing, advanced nursing education, which I would like to be specific about today, but also about professional traineeships, nurse practitioner programs, and special projects within nursing.

The rapid changes in health care today, the new technology, the demand on health economics, that we must cut cost in health care, are all of concern to us and are our reasons why nurses need advanced education.

We need this education in order to be able to better address the complexities of our health care system.

We frequently hear the phrase, a nurse is a nurse is a nurse. I would like to counteract that by explaining a little bit about the depth and the breadth of advanced nursing and what that does for nurses, and why we need it.

We have a lot of practicing nurses in this country. Advanced nursing education prepares us to take the roles of leadership that are needed to address the cost of health care today. There are some examples of that that I would like to give in reference to the specialty areas in nursing.

First of all, the nurse executive and the nurse manager, this is a professional nurse who must be educated for today's administrative challenges. If you think of acute care, hospital-based nursing, this nurse administrator controls the largest segment of hospital labor costs. Fifty percent of the hospital work force is her or his responsibility.

Long-range planning to make nursing departments responsive to the changing directions that we are seeing in acute care today. Frequently this person is responsible for budgets of well over $30 million annually.

They are asked as individuals in this role to maintain quality of care in acute care setting, and at the same time being asked to find, implement, and discover creative ways for cutting costs.

Clinical nurse specialists are prepared at the master's level, and they have behind them also 10 to 12 years of clinical experience. These people provide direct care in many ways. Being in cancer nursing myself, I have seen nurses having to use their skills in very complicated situations where surgery, radiation, and cancer drugs are involved.

There are clinical nurse specialists working in intensive care units with newborns, nurses working in nephrology with chronic renal dialysis, transplant units, all of which need nurses who are well-educated in caring for very complicated problems that are home sooner from hospitals, having to stay at home, and do well at home, and be integrated into family living again.

These are examples. I could give you many, if we had the time. We are also looking at the area of midwives, nurse practitioners, the occupational health nurses who play very key roles in the workplace, looking at health promotion, to prevent early on complications, keeping people well, keeping them out of acute care settings, and hopefully reducing costs.

In closing, I would just like to say that we would like and hopefully know that we have the support in the coming congressional year for the Nurse Education Act. I do have a revised budget here that has been worked on.

We know that we can count on your support, and I am ready to answer any questions.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much, and your supporting documents will be included in the record.

[The statement follows:]

## STATEMENT OF JUDITH L.B. JOHNSON

Mr. Chairman, members of the Committee, I am very pleased to be here today to present testimony on behalf of the Nurses' Coalition for Legislative Action. I am Dr. Judi Johnson, from Minneapolis, Minnesota. I am President of the Oncology Nursing Society, a specialty organization for professional nurses. The Nurses' Coalition for Legislative Action, open to every national nursing organization, is comprised of more than 26 nursing organizations (attached) who have united to seek passage of the Nurse Education Act of 1985 (HR #2026) and funding of these programs in this Congress.

We recognize the overwhelming bipartisan support the nurse training act received in the 98th Congress. The process of Presidential veto prevented enactment of that Congressional mandate. The rationale behind this veto was a projected surplus of physicians and an adequate supply of nurses, an erroneous assumption for nursing.

The Nurse Education Act of 1985 specifically refers to funding for programs of advanced training for nurses who have already fulfilled entry level requirements. Federal support for this program is essential because registered nurses with quality graduate education are a scarce national resource. This fact is well documented in the 1983 Institute of Medicine report, Nursing and Nursing Education (1) and the HHS 1984 Report to the President and Congress on the Status of Health Personnel in the United States (2).

With the current and rapid changes in both biomedical technology and health care economics, it is critical to have an adequate supply of nurses trained at advanced levels. An investment now in nursing graduate education will ensure that nurses receive the advanced education needed to develop skills for meeting the continuing demands in our health care system.

Mr. Chairman, to counter the phrase "a nurse is a nurse is a nurse", I would like to give you examples of the depth and breath of advanced nursing practice. The multifaceted dimensions of advanced practice develop from access to quality graduate education.

Nurse executives and managers are an example of professional nurses educated for todays administrative challenges. In acute care, these individuals control the largest segment of hospital's labor costs. No longer can a bedside nurse advance to these complex management positions without a master's degree in nursing administration. Nurse executives are commonly responsible for budgets in excess of 30 million dollars annually, personnel allocation as high as 50% of the hospital's workforce, and long range planning to make the nursing department responsive to changing directions in acute care. This group of individuals is charged with the awesome task of maintaining quality and a humane service to the ill and disabled while implementing creative methods to reduce costs.

Clinical nurse specialists are prepared at the master's level and have three to ten years clinical experience in their specific area of expertise. They provide direct patient care, patient and staff education and coordinate ancillary servies. Some examples of services provided by clinical nurse specialists include:

- A cancer clinical specialist provides direct care to those with cancer. Many patients undergo complex therapeutic interventions, encompassing surgery, radiation and chemotherapy. Education in high technology implementation enables the specialist to coordinate care between hospital and home and assist the patient and family to participate in the management of both the therapy and its side effects.
- Clinical nurse specialists in a newborn intensive care unit prepare parents to care for their infant's chronic illness at home. Also, these individuals teach other nurses how to prevent the development of unnecessary complications in the newly born infants.
- Clinical nurse specialists in nephrology have operated at the frontier of high technology in the medical field for over twenty years. Dialysis nurses today supervise and manage the care of patients on chronic dialysis while transplant nurses provide care both before and after kidney transplantation. Nurses in this field plan and evaluate the ongoing care needs of this very complicated patient population.

Although these few examples have noted direct care services to patients, the value of the clinical nurse specialist as a consultative and education resource to staff nurses and other health care providers should not be overlooked. Their advanced preparation benefits others.

A specialized area of advanced practice includes nurse midwives and nurse practitioners. It has been demonstated that nurse midwives and nurse practitioners traditionally provide access to care for the poor and other underserved populations. In addition:

- the use of nurse midwives has decreased the incidence of low birthweight and premature births.
- pediatric nurse practitioners provide routine preventive health care to children and have substantially decreased the cost of care per patient without decreasing the quality of the care.
- occupational health nurse practitioners coordinate corporate and industrial health programs, provide examinations, undertake biological and environmental monitoring, and initiate employee education and health promotion programs. Their efforts have had considerable impact on industrial health insurance programs.

A final group of advanced clinical practitioners are nurse anesthetists. The contributions of these clinicians are impressive:

- 20,000 practicing nurse anesthetists provide anesthesia care in our country with 70% of these services being provided in rural areas.
- Cost data from the Health Care Financing Administration (HCFA) indicate that nurse anesthetists are three to four times more cost effective than alternate providers. Congress recognized this by approving a pass-through of nurse anesthetists costs for Medicare reimbursement.

The continuation of this program is vital as there is little likelihood that rural anesthesia needs will be met by any other specialty.

Graduate training also prepares nurses in the fields of education and research.

Well prepared nurse educators are essential for maintaining the quality of preparation for both entry level and master's prepared nurses.

Nurse researchers investigate clinical problems so that more effective methods of care can be identified and applied in the practice setting. Some examples of questions under investigation by nurse researchers include:

- How can parenting skills be improved in adolescent mothers?
- Why do adolescent diabetics reject treatment and how can this compliance problem be overcome?
- What interventions reduce the persistent nausea and vomiting that frequently accompany aggresive cancer therapy?

As you can see, nursing practice demands more education and preparation than in years past to fullfill the various advanced roles I've briefly described. The complexity of health care delivery, from both a technological and policy standpoint, require access to advanced nursing education that is current and sound.

Today, only 5.7% of our nurses are educated beyond the baccaleaurate degree according to the 1984 Report to the President and Congress on the Status of Health Professions in the United States. By 1990, the country will need 358,300 nurses with graduate education but we will have only 118,900 --- less than half the demand.

We support appropriations funding for FY 86, in the following amounts:

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|---|---|
| 1. Advanced Nurse Education | $17.3 Millon |
| 2. Nurse Practitioner and Nurse Midwifery Programs | 14.6 Millon |
| 3. Special Projects | 9.9 Millon |
| 4. Traineeships for Advanced Education of Prof. Nurses | 14.0 Millon |
| 5. Nurse Anesthetists | 1.0 Millon |
| 6. Demonstration Projects | 2.0 Millon |
| | $58.8 Millon |

For FY 87, we support an increase of 5.1%.

For FY 88, we support an increase of 5.5%.

## SPECIAL PROJECTS

We support special projects to fund programs for continuing education for nurses from all basic educational programs. These funds are used for targeting continuing education to disadvantaged students, via outreach programs in underserved areas. Theses funds are also used to help develop innovative nursing practice projects.

### References

1. Institute of Medicine. Nursing and Nursing Education: Public Policies and Private Actions. Washington, DC, 1983.
2. US Department of Health and Human Services. Report to the President and Congress on the Status of Health Personnel in the United States. Washington, DC, 1984. DHHS Pub. No. HRS-P-OD 84-4.

1. Advocates for Child Psychiatric Nursing
2. American Assembly for Men in Nursing
3. American Association of Critical Care Nurses
4. American Association of Nurse Anesthetists
5. American Association of Occupational Health Nurses
6. American College of Nurse Midwives
7. American Holistic Nurses' Association
8. American Nephrology Nurses Association
9. American Society of Opthalmic Registered Nurses
10. American Society of Post Anesthesia Nurses
11. American Society of Plastic and Reconstructive Surgical Nurses
12. American Urological Association, Allied
13. Association for Practitioners in Infection Control
14. Association of Faculties of Pediatric Nurse Associates and Practitioners
15. Association of Pediatric Oncology Nurses
16. Council of Directors of Graduate Programs for Psychiatric/Mental Health Nursing
17. Drug and Alcohol Nursing Association
18. Emergency Nurses Association
19. National Association of Nurse Practitioners in Family Planning
20. National Association of Orthopaedic Nurses
21. National Association of Pediatric Nurse Associates and Practitioners
22. National Association of School Nurses
23. National Gerontological Nursing Association
24. National Intravenous Therapy Association
25. National Organization of Nurse Practitioner Faculties
26. National Neonatal Network
27. Nurse Consultants Association
28. NAACOG: The Organization for Obstetric, Gynecologic, and Neonatal Nurses
29. Oncology Nursing Society

## STATEMENT OF GARY FILERMAN, PH.D., PRESIDENT, ASSOCIATION OF UNIVERSITY PROGRAMS IN HEALTH CARE ADMINISTRATION

Senator WEICKER. Our next witness is Dr. Gary Filerman, president of the Association of University Programs in Health Care Administration.

Mr. FILERMAN. Mr. Chairman, my name is Gary Filerman, and I am president of the Association of University Programs in Health Care Administration.

I would like to thank you for this opportunity to testify before you in favor of two activities that are funded by the subcommittee. One is development grants for graduate programs in health administration, and the other is traineeships for health administration students.

Mr. Chairman, our association is a consortium of most of the universities in the United States that train people to manage health services. We have a simple point to make to you this morning. It is that the Government's objectives of containing costs and increasing competition and encouraging low-cost alternative health services are not going to be realized until there are more appropriately trained managers in the health care system. We are a long way from that goal.

The university programs which this country relies on to train competent managers for health services are both understaffed and under financed. In fact, management training capacity has been reduced in the last 3 years because of the reductions in Federal support. When the administration talks about an oversupply of health professionals, they are not talking about an oversupply of health care administrators because there is hard data which show that we do have a serious shortage. That shortage is most serious in the areas of highest national priority, that is, in home health agencies, in nursing homes, in HMO's, in emergency health services, and in rural hospitals.

With permission, Mr. Chairman, I would like to submit, for the record, this report by Korn/Ferry International and our organization on health administration employment. This report shows, on page 12, that in 1983 only 19 new graduates went to home health agencies in the United States, only 34 went to HMO's, and incredibly, only 13 went into the long-term care field. All of those are fields which are management poor. They are in the frontline of change. We have not begun to dent the need as you can see by this hard evidence.

At the same time, the general acute system of hospitals absorb 55 percent of the graduates of these programs, and most importantly and most revealing, 75 percent of the graduates of 1983 are in positions of their first choice.

The number of individuals finding jobs within their first 3 months after graduation is very high and virtually none leave the field of health administration. What these data show in indisputable terms is that there is a serious shortage of health care administrators, that the demand from certain areas far exceeds the supply and that those areas coincide with this Nation's highest priorities for improved health services. Unfortunately, Mr. Chairman, the problem is getting worse. Only one-third of the current health management personnel in health services have received training which is appropriate for their managerial responsibilities.

The Health Resources and Services Administration currently supports two small but highly cost-effective programs that serve as the primary resource for attracting and training people in the management of health services. Under one of the programs, grants are made to public and nonprofit private educational institutions to support graduate programs in health administration, hospital management, and health planning. This program has proved highly successful in generating local support for itself. In fact, every Federal dollar invested is matched by three or more non-Federal dollars. There is no other health manpower program that has that kind of leverage.

Under the traineeship programs, and student aid programs, grants are awarded primarily to support students, most of them minority students and midcareer people. One of the ways that you solve the problem of enough managers in health care organizations is that you promote from within. The traineeships are the ones that permit people who have been promoted from within to get management training.

Last year, Congress recognized the critical need for more health managers by providing a very modest increase in support for funding of graduate programs and traineeships. Yet, despite the obvious and direct relationship between this program and the administration's objectives, the budget proposes to eliminate all support for health care administration training.

As I said earlier, Mr. Chairman, this Nation's health care delivery system is weakest in the managerial resources necessary to properly implement cost controls and to develop effective low-cost alternative delivery systems. Under the circumstances, to eliminate support for the primary source of attracting young people to careers in health management, and upgrading present managers, is penny-wise and pound-foolish.

What we are, therefore, recommending, and I realize that these are very small numbers, and they are sometimes glossed over as a result, but what we are recommending is that $2 million be appropriated for the support of the graduate programs, and that $750,000 be provided for traineeships in health administration.

Thank you.

### PREPARED STATEMENT

Senator WEICKER. Thank you, Dr. Filerman, for your testimony, and your report will be included in the record.

Mr. FILERMAN. Thank you.

[The statement follows:]

## STATEMENT OF DR. GARY L. FILERMAN

My name is Gary Filerman and I am President of the Association of University Programs in Health Administration.

I would like to thank you for the opportunity to present testimony in support of two activities funded by this Subcommittee: Development grants for graduate programs in health administration and health administration traineeships.

Mr. Chairman, our Association is a consortium of the universities which train most professional administrators for health services. We have a simple point to make. It is that the government's objectives of containing costs, stimulating competition and encouraging low cost alternative health systems cannot be realized until there are many more appropriately trained managers throughout the system.

We are a long way from that goal. The university programs which this country relies on to train competent administrators are understaffed and underfinanced. In fact management training capacity has been reduced because of the cuts in federal funds over the last three years. When the administration talks of about an oversupply they are not talking about health administrators, because hard data shows that we have a serious shortage. That shortage is most serious in the high priority areas of health services. That is in home health agencies, nursing homes, HMO's, emergency services and rural hospitals.

With your permission Mr. Chairman, I submit for the record a report by Korn/Ferry International and AUPHA on health administration employment. This report shows that in 1983 only 19 new graduates went to home health agencies and community health centers; only 34 went to HMO's; Incredibly only 13 went to long term care. All of these fields are management poor, they are in the front line of change and we have not begun to dent the need, as you can see by the hard evidence. At the same time the general acute hospital system absorbed 55% of the graduates of health administration programs and most importantly, 75% of graduates went to positions of their choice.

The number of individuals finding jobs within the first three months after graduation is very high and virtually none leave the field of health administration. What these data show in indisputable terms, is that there is a serious shortage of health care administrators, that the demand from certain areas far exceeds the supply and at those areas coincide with this nation's highest priorities for improved health services. Unforunately, Mr. Chairman, the problem is getting worse. Only a third of the current health management workforce recieved appropriate training.

The Health Resources and Services Administration currently supports two small but highly cost-effective programs which serve as the primary source for attracting and training health administrators. Under one program, grants are awarded to public and nonprofit private educational institutions to support graduate programs in health administration, hospital management, and health planning. This program has proved highly successful in generating local support for its goal; in fact, every federal dollar invested is matched by three or more dollars in nonfederal support. No other health manpower has such leverage.

Under the traineeship program, grants are awarded to help support students. Most of these traineeships serve primarily minority and mid-career students. One of the ways you solve the problem is promote from within. The traineeships then help such people get management training.

Recommendation

Last year, Congress acknowledged the critical need for health administrators by providing a modest increase in funding for graduate programs and traineeships. Yet, despite the obvious and its direct relationship to administration objectives, the budget proposes to eliminate all support for health administration training.

As I said earlier, Mr. Chairman, this nation's health care delivery system is weakest in the resources necessary to properly implement cost controls and develop low-cost alternative services. Under the circumstances, to eliminate the primary source for attracting young people to careers in health management and upgrading present managers would be penny-wise and pound foolish.

We therefore recommend that two million dollars be appropriated to continue graduate programs and that 750 thousand dollars be provided for traineeships in health administration.

Thank you, Mr. Chairman.

## STATEMENT OF MICHAEL K. GEMMELL, EXECUTIVE DIRECTOR, ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH

Senator WEICKER. Next we have Michael Gemmell, the executive director of the Association of Schools of Public Health.

Mr. GEMMELL. Thank you, Mr. Chairman. I will be very brief.

First, we urge the subcommittee to continue Federal institutional support for schools of public health. We have been very supportive of the program over the years. We feel that the Federal funds received by our schools are a small but fair share in the cost of preparing men and women to meet the public health needs of this country.

Today there are 23 accredited schools of public health. They are truly national and regional resources inasmuch as only 17 States and Puerto Rico have graduate schools of public health.

Our graduates, about 3,000 per year, work primarily in the public sector. Over 40 percent in a single year go into Federal, State, or local government health service employment. Over 30 percent work for either nonprofit community agencies or universities, and 20 percent work for industry as industrial hygienists, and occupational safety and health experts.

Mr. Chairman, public health professionals enter the field to improve the quality of life, particularly in the areas of environmental occupational health, maternal and child health, nutrition, infectious and chronic disease control and prevention, health policy, and finance.

While public health's success stories seldom make newspaper headlines, millions of lives are being protected and saved every day in the United States through the unrecognized efforts of men and women who have been trained in our Nation's schools of public health.

Students who attend these graduate schools are often midcareer professionals with a prior commitment to public service. Their average age is over 30, and their mean salary income in the first year out of school was $24,000 in 1981. Unlike other graduates of health professional schools, they do not enjoy a lucrative income.

Why do we need Federal support? According to HHS, there appears to be a critical shortage of epidemiologists, health statisticians, and certain types of environmental health specialists and health care finance experts. A severe shortage of physicians exists throughout the field of public health. In epidemiology, the lack of physicians is particularly acute. In environmental health, areas related to toxic substances, hazardous wastes, occupational safety and health, water treatment experience the greatest shortages of adequately trained personnel. Health administration specialists in finance and economics will continue to be in high demand.

We are talking about experts like Professor Thompson of the Yale School of Public Health who devised a novel hospital cost control scheme for DRG's. Because of the 50-percent cutback in Federal support over the last 7 years, physicians, engineers, nurses, chemists, and physical scientists are not entering the field in adequate numbers.

Since there is a short supply of public health personnel, it is confusing that the administration proposes to end Federal support for schools of public health. Given the present state of the deficit, certain reductions in Federal spending are justified, however, to recommend cuts in programs that contribute to keeping people out of the costly medical care system does not make sense.

It is clear, Mr. Chairman, that disease prevention not only saves lives, but it saves money. The logic behind that is uncontestable. Therefore, we urge you, Mr. Chairman, and members of your subcommittee to approve $7 million for institutional support for schools of public health, $4 million for student assistance, and $2 million for preventive medicine residences to train public health physicians. We also urge you to approve $3 million in the fiscal year 1985 supplemental appropriations, and $5 million in 1986, to support eight prevention centers administered by CDC in Atlanta.

Last October, the President signed S. 771 authorizing the establishment of 13 centers in schools of public health.

Finally, Mr. Chairman, we urge your subcommittee to approve $3 million in supplemental fiscal 1985, and $5 million in 1986, to support title VII of the Older Americans Act.

Thank you, Mr. Chairman, for allowing me this opportunity to testify. We thank you for your past support and especially for your support to restore funds under the NIH and ADAMHA research grants in the Federal budget resolution before us. Thank you very much.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much for your testimony, Mr. Gemmell. We will insert your statement in its entirety in the record.

[The statement follows:]

## STATEMENT OF MICHAEL K. GEMMELL

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM MIKE GEMMELL, EXECUTIVE DIRECTOR OF THE ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH. THE DEANS OF THE 23 U.S. SCHOOLS OF PUBLIC HEALTH APPRECIATE THE OPPORTUNITY TO TESTIFY ON THE FY1986 FUNDING BILL.

FIRST, WE URGE THE SUBCOMMITTEES TO CONTINUE FEDERAL INSTITUTIONAL SUPPORT OF SCHOOLS OF PUBLIC HEALTH. YOU HAVE BEEN VERY SUPPORTIVE OF THIS PROGRAM OVER THE YEARS. FEDERAL FUNDS RECEIVED BY THE SCHOOLS HAVE BEEN CONSIDERED TO BE THE FEDERAL GOVERNMENT'S SMALL, BUT FAIR SHARE OF THE COSTS OF PREPARING MEN AND WOMEN TO MEET THE PUBLIC HEALTH NEEDS OF THIS COUNTRY.

TODAY THERE ARE 23 ACCREDITED SCHOOLS OF PUBLIC HEALTH.* LOCATED IN 17 STATES AND PUERTO RICO, THE SCHOOLS OF PUBLIC HEALTH TRAIN STUDENTS FROM EVERY STATE IN THE NATION. GRADUATES OF THE SCHOOLS OF PUBLIC HEALTH WORK PRIMARILY IN THE PUBLIC SECTOR IN THE AREAS OF HEALTH PROMOTION AND DISEASE PREVENTION. THEY REPRESENT THE BASIC RESOURCE POOL FROM WHICH FEDERAL, STATE AND LOCAL HEALTH AND ENVIRONMENTAL AGENCIES DRAW THEIR MANPOWER NEEDS. GRADUATES ALSO WORK AND TEACH IN UNIVERSITY SETTINGS. INDUSTRY RELIES HEAVILY ON THE SCHOOLS TO TRAIN THEIR EMPLOYEES INVOLVED IN INDUSTRIAL HYGIENE, OCCUPATIONAL SAFETY AND HEALTH, ENVIRONMENTAL TOXICOLOGY, AMONG OTHERS. THE BREAKDOWN IS AS FOLLOWS: 45 PERCENT OF GRADUATES IN A SINGLE YEAR GO INTO FEDERAL, STATE OR LOCAL GOVERNMENT SERVICE, 30 PERCENT WORK FOR EITHER NON-PROFIT COMMUNITY HEALTH AGENCIES OR UNIVERSITIES AND 20 PERCENT WORK FOR INDUSTRY AND PROPRIETARY ORGANIZATIONS.

STUDENTS WHO ATTEND THESE GRADUATE SCHOOLS ARE OFTEN MID-CAREER PROFESSIONALS WITH A PRIOR COMMITMENT TO PUBLIC SERVICE. THE AVERAGE AGE IS SLIGHTLY OVER 30. A LARGE PERCENTAGE ARE PART-TIME STUDENTS ALREADY WORKING IN THE PUBLIC SECTOR. THE GRADUATES, UNLIKE MANY OF THE OTHER HEALTH PROFESSIONS, DO NOT ENJOY LUCRATIVE INCOMES. SINCE NEARLY 75 PERCENT OF THE GRADUATES ARE EMPLOYED BY GOVERNMENTAL AGENCIES AND UNIVERSITIES, THEIR MODEST SALARY LEVELS ARE REFLECTED

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* The University of South Florida School of Public Health will be seeking accreditation next year.

IN A RECENT SURVEY WHICH SHOWED THE MEAN INCOME FOR ALL 1981 GRADUATES AT $24,500 WITH HALF OF THE GRADUATES MAKING LESS THAN $22,000 (THIS FIGURE INCLUDES PHYSICIANS AND DENTISTS WORKING IN PUBLIC HEALTH).

WHY DO WE NEED FEDERAL SUPPORT? BECAUSE THE PROLIFERATION OF FEDERAL HEALTH PROGRAMS HAS INCREASED THE NEED FOR PUBLIC HEALTH SPECIALISTS. YET, ACCORDING TO HHS, THERE IS DEEP CONCERN THAT THERE ARE INSUFFICIENT PUBLIC HEALTH PERSONNEL PREPARED TO COPE WITH ALL THE DEMANDS TO BE PLACED ON THEM IN THE COMING DECADE. NATIONALLY, THERE APPEARS TO BE CRITICAL SHORTAGES OF EPIDEMIOLOGISTS, HEALTH STATISTICIANS, AND CERTAIN TYPES OF ENVIRONMENTAL HEALTH SPECIALISTS. THE LACK OF NON-INFECTIOUS DISEASE AND BEHAVIORAL EPIDEMIOLOGISTS, TOXICOLOGISTS, RISK ASSESSMENT SPECIALISTS IN THE CHEMICAL AND PHYSICAL AGENT ARENAS, HEALTH CARE FINANCE SPECIALISTS, AND BIOSTATISTICIANS COMPETENT TO ENGAGE IN HIGHLY CONTROLLED STUDIES, ARE MOST OFTEN CITED.

A SEVERE SHORTAGE OF PHYSICIANS EXISTS THROUGHOUT THE FIELD OF PUBLIC HEALTH. IN EPIDEMIOLOGY, A LACK OF PHYSICIANS IS PARTICULARLY ACUTE, AND IT IS ANTICIPATED THAT A STRONG DEMAND FOR NONPHYSICIAN EPIDEMIOLOGISTS WITH DOCTORAL TRAINING WILL CONTINUE AS LONG AS THIS SHORTAGE EXISTS. IN ENVIRONMENTAL HEALTH, AREAS RELATED TO TOXIC SUBSTANCES, HAZARDOUS WASTE MANAGEMENT, OCCUPATIONAL SAFETY AND HEALTH, ENVIRONMENTAL EPIDEMIOLOGY, AND WATER TREATMENT WILL EXPERIENCE THE GREATEST SHORTAGE OF ADEQUATELY TRAINED PERSONNEL TO MEET THE NEEDS OF BOTH PUBLIC AND PRIVATE SECTORS. IN HEALTH ADMINISTRATION, SPECIALISTS IN FINANCE AND ECONOMICS WILL CONTINUE IN HIGH DEMAND.

IN OTHER FIELDS, PUBLIC HEALTH PERSONNEL GROWTH WILL BE SLOW TO MINIMAL. IN THE SLOW GROWTH DISCIPLINES, THE MOST PRESSING NEEDS ARE FOR IMPROVING THE ABILITIES AND SKILLS OF THOSE ALREADY IN THE WORK FORCE. ACCORDING TO HHS, HALF OF THE ENVIRONMENTAL HEALTH WORKFORCE HAS NOT BEEN FORMALLY PREPARED IN EITHER THE HEALTH OR ENVIRONMENTAL SCIENCES.

SCHOOLS OF PUBLIC HEALTH ARE CURRENTLY EXPERIENCING ANOTHER MAJOR CRISIS CAUSED BY A DECREASING TREND IN THE NUMBER OF PHYSICIANS ENTERING ACADEMIC PUBLIC HEALTH. THE DEARTH OF PROFESSIONAL STAFF

IN THE FIELD OF PUBLIC HEALTH AND PREVENTIVE MEDICINE HAS BEEN DOCUMENTED IN REPORT AFTER REPORT RANGING FROM STUDIES BY THE GRADUATE MEDICAL EDUCATION NATIONAL ADVISORY COMMITTEE TO THOSE OF THE NATIONAL ACADEMY OF SCIENCES. IN NOTABLE CRITICAL SUPPLY ARE PHYSICIANS TRAINED IN PREVENTIVE MEDICINE, EPIDEMIOLOGY, BIOSTATISTICS, AND TOXICOLOGY.

IN ADDITION, THE INABILITY OF SCHOOLS TO EFFECTIVELY COMPETE WITH THE CORPORATE ARENA FOR THE MODEST SUPPLY OF NON-PHYSICIAN GRADUATES IN ENVIRONMENTAL TOXICOLOGY, NON-INFECTIOUS DISEASE AND BEHAVIORAL EPIDEMIOLOGY AND HEALTH CARE FINANCE, CREATES SERIOUS PROBLEMS FOR THE SCHOOLS (AND FEDERAL, STATE AND LOCAL HEALTH AGENCIES) IN THEIR EFFORTS TO MEET PRESENT PUBLIC HEALTH PROBLEMS. THIS BRAIN DRAIN WILL ACCELERATE AS MORE AND MORE ENVIRONMENTAL HAZARDS ARE BEING BROUGHT TO THE PUBLIC'S ATTENTION.

FURTHERMORE, MR. CHAIRMAN, OUR MOST CAPABLE HEALTH SCIENCE STUDENTS ARE NOT CHOOSING CAREERS IN PUBLIC HEALTH BECAUSE OF THE 60 PERCENT CUTBACK IN TRAINEESHIPS OVER THE PAST TWO YEARS. PHYSICIANS, ENGINEERS, NURSES, CHEMISTS AND PHYSICAL SCIENTISTS ARE NOT ENTERING THE FIELD IN ADEQUATE NUMBERS. IN ENGINEERING, THE SMALL BUT CONTINUOUS FLOW OF ENGINEERING GRADUATES THAT ENTERED PUBLIC HEALTH THROUGH THE MID-1970S HAS ALL BUT CEASED. IN VETERINARY MEDICINE, RECRUITMENT OF VETERINARIANS INTO PUBLIC HEALTH HAS DECREASED. WHILE GRADUATE TRAINING IN MANY SPECIALITY AREAS OF NURSING HAS GROWN DRAMATICALLY OVER THE PAST 10 YEARS, THE INCREASE IN NURSES TRAINED IN PUBLIC HEALTH AT THE GRADUATE LEVEL HAS NOT KEPT PACE. IN FACT, STATE HEALTH OFFICERS ARE VERY ALARMED ABOUT THE LOW NUMBER OF NURSES ENTERING PUBLIC HEALTH.

GIVEN THESE SHORTAGES, THE ADMINISTRATION PROPOSES TO END ACADEMIC PUBLIC HEALTH CAPITATION, TRAINEESHIPS AND PREVENTIVE MEDICINE RESIDENCIES PROGRAMS NEXT YEAR.

SINCE THERE IS A SHORT SUPPLY OF PUBLIC HEALTH PERSONNEL IN OUR NATION, IT IS SURPRISING AND CONFUSING, THEREFORE, FOR THE ADMINISTRATION TO PROPOSE ENDING FEDERAL SUPPORT TO SCHOOLS OF PUBLIC HEALTH. GIVEN THE PRESENT STATE OF THE DEFICIT, CERTAIN REDUCTIONS IN FEDERAL SPENDING ARE JUSTIFIED. HOWEVER, TO RECOMMEND CUTS IN PROGRAMS THAT CONTRIBUTE TO KEEPING INDIVIDUALS OUT OF THE MEDICAL

CARE SYSTEM DOES NOT MAKE SENSE. COST SAVINGS IN THE HEALTH CARE SYSTEM CAN BE ACHIEVED THROUGH GREATER EMPHASIS (NOT REDUCTIONS) ON PROGRAMS THAT KEEP PEOPLE AND COMMUNITIES HEALTHY.

THE ADMINISTRATION'S JUSTIFICATION FOR TERMINATION OF PUBLIC HEALTH SCHOOL SUPPORT IS BASED ON A SERIES OF FALSE ASSUMPTIONS. FEDERAL HEALTH PROFESSIONAL MANPOWER POLICY HAS FOCUSED ALMOST EXCLUSIVELY ON PHYSICIANS AND THE ADMINISTRATION HAS BASED POLICY DECISIONS AFFECTING OTHER HEALTH PROFESSIONS ON CONCLUSIONS RELATING TO PHYSICIANS. FOR EXAMPLE, STUDIES HAVE SHOWN THAT THERE MAY BE A SUBSTANTIAL OVERSUPPLY OF PHYSICIANS AROUND 1990. BASED ON THIS FINDING, THE PRESIDENT'S 1986 BUDGET ASSUMES AN OVERSUPPLY OF ALL HEALTH PROFESSIONALS AND CONSEQUENTLY TARGETS ITS REQUESTS FOR HEALTH PROFESSIONS EDUCATION PROGRAMS AT MINIMIZING THE FUTURE OVERSUPPLY OF PUBLIC HEALTH PROFESSIONALS. AVAILABLE EVIDENCE, HOWEVER, INDICATES AN UNDERSUPPLY OF PUBLIC HEALTH PERSONNEL EXISTS.

THEREFORE, WE URGE YOU, MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, TO APPROPRIATE $7.0 MILLION FOR FY1986 INSTITUTIONAL SUPPORT TO SCHOOLS OF PUBLIC HEALTH.

WE FURTHER URGE YOU TO APPROVE $4.0 MILLION FOR STUDENT ASSISTANCE OR TRAINEESHIPS. AGAIN, AS EMPLOYEES OF GOVERNMENT, UNIVERSITIES AND PRIVATE, NONPROFIT HEALTH AGENCIES, THESE GRADUATES RECEIVE MODEST SALARIES IN CONTRAST TO THE HIGH RENUMERATION RECEIVED BY MOST HEALTH PROFESSIONALS.

MR. CHAIRMAN, WE URGE THE SUBCOMMITTEE TO APPROVE OUR REQUEST OF $2 MILLION FOR PREVENTIVE MEDICINE AND PUBLIC HEALTH RESIDENCIES. IF A CHANGE IS TO BE EFFECTED IN THE HEALTH CARE SYSTEM TO BRING ABOUT A GREATER EMPHASIS ON PREVENTION, A CHANGE MUST BE MADE IN THE ATTITUDES AND BEHAVIOR OF THE MEDICAL PROFESSION. THIS PROGRAM ATTRACTS PHYSICIANS INTO PUBLIC HEALTH.

WE ALSO URGE CONGRESS TO APPROPRIATE $3 MILLION IN FY1985 SUPPLEMENTAL APPROPRIATIONS AND $5 MILLION IN FY1986 FUNDS TO SUPPORT EIGHT PREVENTION CENTERS ADMINISTERED BY CDC. LAST OCTOBER, THE PRESIDENT SIGNED INTO LAW S.771 (P.L. 98-551) THAT AUTHORIZES THE ESTABLISHMENT OF 13 CENTERS IN SCHOOLS OF PUBLIC HEALTH TO CARRY OUT BOTH RESEARCH AND DEMONSTRATION PROJECTS IN DISEASE PREVENTION

AND HEALTH PROMOTION. S.771 PROVIDES FOR CORE FACULTY AND ADMINISTRATIVE SUPPORT RANGING FROM $800,000 TO $1,000,000 PER YEAR. AN INITIAL ROUND OF THREE CENTERS SHOULD BE FUNDED IN FY85 WITH FIVE ADDITIONAL ONES FOR EACH OF TWO SUCCESSIVE YEARS. THE PRINCIPAL CHARACTERISTIC OF EACH CENTER WILL BE ITS CAPABILITY TO CARRY OUT BOTH RESEARCH AND DEMONSTRATION PROJECTS IN DISEASE PREVENTION AND HEALTH PROMOTION.

FINALLY, MR. CHAIRMAN, WE URGE YOUR SUBCOMMITTEE TO APPROVE $3 MILLION IN FY1985 SUPPLEMENTAL APPROPRIATIONS AND $5 MILLION IN FY1986 FUNDS TO SUPPORT PROGRAMS AUTHORIZED UNDER TITLE VII OF THE "OLDER AMERICANS ACT AMENDMENTS OF 1984" (P.L. 98-459). THIS NEW SECTION (ENTITLED "OLDER AMERICANS PERSONAL HEALTH EDUCATION AND TRAINING PROGRAM") SUPPORTS HEALTH PROMOTION AND DISEASE PREVENTION PROJECTS, DESIGNED BY SCHOOLS OF PUBLIC HEALTH, THAT PROVIDE HEALTH EDUCATION AND TRAINING FOR OLDER PERSONS IN SENIOR CITIZEN CENTERS.

THANK YOU, MR. CHAIRMAN, FOR ALLOWING US THE OPPORTUNITY TO PRESENT OUR VIEWS. I WOULD BE MOST HAPPY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

The Association of Schools of Public Health (ASPH) urges Congress to appropriate the following amounts in FY 1986 for Schools of Public Health:

FY 1986 Appropriations (Millions) Requests

| | Final FY 1982 | Final FY 1983 | Final FY 1984 | Final FY 1985 | Pres. FY1986 Requests | ASPH Requests FY 1986 |
|---|---|---|---|---|---|---|
| Institutional Support (Capitation) | $4.1 | $4.1 | $5.0 | $5.0 | 0 | $7.0 |
| Traineeships | $3.0 | $2.5 | $2.5 | $3.0 | 0 | $4.0 |
| Preventive Medicine Residencies | $ 0 | $1.0 | $1.5 | $1.6 | 0 | $2.0 |
| Special Projects | -- | -- | -- | -- | 0 | $2.0 |
| Centers for Health Promotion and Disease Prevention | -- | -- | -- | -- | 0 | $8.0* |
| Title VII of the Older Americans Act | -- | -- | -- | -- | 0 | $8.0* |

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* $3 in FY1985 supplemental funding and $5 in FY1986 funding.

## STATEMENT OF DAVID CALKINS, M.D., SOCIETY FOR RESEARCH AND EDUCATION IN PRIMARY CARE INTERNAL MEDICINE

Senator WEICKER. The next witness is Dr. David Calkins, Society for Research and Education in Primary Care Internal Medicine.

Dr. CALKINS. Mr. Chairman, I am a general internist and chairman of the health policy committee of SREPCIM, the Society for Research and Education in Primary Care Internal Medicine. I am pleased to have this opportunity to present testimony on the fiscal year 1986 appropriation for the Department of Health and Human Services.

With your permission, I would ask that the full text of the statement, which I have submitted, be entered in the record, and I will summarize that statement in the time available this morning.

My remarks concern the appropriation for training grants in general internal medicine and general pediatrics.

Last year, you and your colleagues in the House appropriated $18.5 million for this program. The administration's fiscal year 1986 budget, however, proposes no further funding. The rationale offered is that overall physician supply is now or soon will be excessive.

SREPCIM does not challenge the projection of an overall physician surplus, we do take issue with the conclusion that Federal support for general internal medicine and general pediatrics training should be eliminated. The supply of primary care physicians is not excessive. Today, only 35 percent of physicians are in the primary care fields of general internal medicine and general pediatrics, and family medicine, far less than the goal of 50 percent recommended by the Institute of Medicine and others.

More primary care physicians are needed to improve access to basic health care services. Furthermore, expanded supply of primary care physicians will mean less costly health care. Less costly care is the central objective of training in general internal medicine. To this end, training in general internal medicine differs from that in traditional internal medicine programs in several important ways.

First, in comparison with traditional internal medicine training, more teaching occurs in an ambulatory setting. Thus residents learn to manage many medical problems on an ambulatory basis, avoiding the need for expensive hospitalization.

Second, general internal medicine programs emphasize continuity of care, as well as care which is comprehensive. Residents learn to manage the majority of medical problems without referral to subspecialists.

Finally, residents are taught principles of health maintenance. They learn to counsel patients regarding diet, exercise, and other health related behaviors. Thus, general internal medicine residents are able to help patients stay healthy, as well as treat them when they are ill.

While the principal purpose of the training grants in general internal medicine and general pediatrics has been to support the education of residents, they also have been a major stimulus to the development of faculty divisions of general internal medicine throughout the United States.

The faculty who staff these divisions have made several important contributions within their hospitals and medical schools. Let me mention two.

First, faculty in divisions of general internal medicine spend almost one-half of their time in direct patient care, usually in hospital-based clinics or group practices. These clinics are an important source of ambulatory care, especially for the poor. The presence of full-time faculty in such clinics has led to improvements both in the quality and the efficiency of services.

Second, faculty in divisions of general internal medicine spend about one-third of their time teaching in ambulatory and inpatient settings. They train residents in health promotion and disease prevention, as well as cost-effective approaches to health care.

Studies show that residents use hospital resources more efficiently when they are supervised by faculty in general internal medicine, and when they are supervised by such specialists.

The development of general internal medicine residency training programs in faculty divisions of general internal medicine would not have been possible and today cannot be sustained without Federal grant support. Our current practices of paying physicians and hospitals reward most heavily the technology intensive inpatient services. Until such time as these reimbursement practices are reformed so as to provide adequate support for ambulatory care practice and teaching, the training grants in general internal medicine and general pediatrics, as well as those in family medicine, must be maintained.

We would ask specifically that you appropriate an amount of $18.5 million for training grants in general internal medicine and general pediatricts in fiscal year 1986, an amount equivalent to the 1985 appropriation.

Thank you for this opportunity to present our views.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much, Dr. Calkins. Your statement will be printed in the record in its entirety.

Dr. CALKINS. Thank you.

Senator WEICKER. The subcommittee will stand in recess for about 3 minutes.

[A brief recess was taken.]

[The statement follows:]

## STATEMENT OF DR. DAVID CALKINS

I am pleased to have this opportunity to present testimony on the fiscal year (FY) 1986 appropriation for the Department of Health and Human Services on behalf of SREPCIM -- the Society for Research and Education in Primary Care Internal Medicine. SREPCIM was founded in 1978 as an affiliate of the American College of Physicians. Our major purpose is to promote the training of physicians in primary care or general internal medicine. Most of our members, who now number over 1000, serve on medical school faculties, and many are involved in the teaching of residents in general internal medicine. Accordingly, SREPCIM is especially interested in the appropriation for training grants in general internal medicine and general pediatrics and I will confine my remarks today primarily to this aspect of the HHS budget.

Last year you and your colleagues in the House appropriated $8.5 million for training grants in general internal medicine and general pediatrics. This appropriation has allowed HHS to fund most of the approved new and competing grants for residency training and to award $2 million to faculty development, a new and badly needed program. The Administration's FY 1986 budget, however, would eliminate all funding for these activities. The rationale offered is that overall physician supply is now or soon will be excessive. While SREPCIM does not challenge the projection of an overall physician surplus, we do take issue with the conclusion that federal support for general internal medicine and general pediatrics training should be eliminated. The supply of primary care physicians is not excessive. Today only 35 percent of physicians are in the primary care fields of general internal medicine, general pediatrics, and family medicine, far less than the goal of 50 percent recommended by the Institute of Medicine and others. More primary care physicians are needed to improve access to basic health care services. Furthermore, there is increasing evidence, some of which I will cite in my testimony today, that an expanded supply of primary care physicians could mean less costly health care, a goal we all share.

The central purpose of the training grants in general internal medicine and general pediatrics is the support of a new kind of residency training, training which prepares young physicians to deliver high quality, cost-effective primary care services. Let me describe briefly the content of residency training in general internal medicine.

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General internal medicine training differs from traditional internal medicine training in several important ways:

- More teaching occurs in an ambulatory setting. In a traditional internal medicine residency, about 10 percent of a resident's experience is in an ambulatory setting. In the general internal medicine programs supported by federal training grants, more than 25 percent of training takes place in such settings.

- General internal medicine programs emphasize continuity of care, as well as care which is comprehensive. Residents in these programs acquire skills in areas such as psychiatry, orthopedics, and gynecology, areas which are not part of traditional internal medicine training. Thus, they are able to manage the vast majority of problems encountered in ambulatory adult patients without referrals to subspecialists.

- Residents are taught principles of health maintenance. They work with other health professionals, including nutritionists and nurse practitioners, to counsel patients regarding diet, exercise, and other health-related behaviors. Thus, general internal medicine residents are able to help patients stay healthy as well as treat them when they are ill.

- General internal medicne training emphasizes cost-effective approaches to health care. Residents learn when to use laboratory tests as well as when not to use them. They also learn that many medical problems can be managed on an ambulatory basis, avoiding the need for expensive hospitalization.

- Perhaps most important, residents in these programs learn through experience and example that a career in primary care can be intellectually and personally rewarding -- and they stay with it. A recent SREPCIM survey of selected training programs shows that about 80 percent of residents trained in these programs choose careers in primary care. In contrast, only a third of the graduates of traditional internal medicine programs choose such careers. We currently are collecting more complete data on the training and career choices of residents in federally funded general internal medicine programs and will share this information with you as soon as it is available.

While the principal purpose of the training grants has been to support the education of general internal medicine residents, they have had other desirable effects. They have been a major stimulus to the development of divisions of general internal medicine throughout the United States. A 1984 SREPCIM study shows that there are now 145 divisions or sections of general internal medicine in U.S. medical schools. The faculty who staff these divisions play a critical role within their hospitals and medical schools:

- Faculty in divisions of general internal medicine spend almost half their time in direct patient care, usually in hospital-based clinics or group practices. These clinics are an important source of ambulatory care, especially for the poor. The presence of full-time faculty in such clinics has led to improvements in both the quality and efficiency of services.

- Faculty in divisions of general internal medicine spend about a third of their time teaching in ambulatory and inpatient settings. They supervise residents in traditional internal medicine programs as well as those in primary care. General medicine faculty train residents in health promotion and disease prevention, as well as cost-effective approaches to health care. Studies show that residents use hospital resources more efficiently when they are supervised by faculty in general internal medicine than when they are supervised by subspecialists.

- General internal medicine faculty serve as important role models for medical students, interns, and residents. Research indicates that medical school faculty have a significant influence on the career choice of physicians in training. The dominant role model on most medical school faculties is the subspecialist. The academic general internist offers trainees, including those in traditional internal medicine programs, an alternative.

The development of general internal medicine residency programs and faculty divisions of general internal medicine would not have been possible without federal grant support. Our current practices of paying physicians and hospitals encourage the development of faculties dominated by subspecialists and residency training programs focused on technology-intensive inpatient services. By explicitly funding ambulatory care teaching, the residency training grants have provided departments of medicine with an incentive to add to their ranks faculty interested in general medicine and residents whose training includes substantial ambulatory care.

During the mid-1970's this Committee saw the need for an expansion in the supply of primary care physicians. You responded by funding grants for residency training in general internal medicine and general pediatrics, as well as family medicine. The need for more primary care physicians continues today, and in some sense is even more acute given the rising cost of health care. SREPCIM urges you to maintain funding for training in general internal medicine and general pediatrics, as well as family medicine, at current levels. Your past investment in these activities has paid off. Your continued support is needed.

Thank you again for this opportunity to present our views.

## STATEMENT OF MARCELLUS GRACE, PH.D., BOARD MEMBER, ASSOCIATION OF MINORITY HEALTH PROFESSIONS SCHOOLS

Senator WEICKER. The next witness is Dr. Marcellus Grace, a board member of the Association of Minority Health Professions Schools.

Mr. GRACE. Good morning, Mr. Chairman.

Senator WEICKER. Good morning to you.

Mr. GRACE. Thank you for allowing me the opportunity to represent the views of our association.

I am Marcellus Grace, dean of the college of pharmacy of Xavier University in New Orleans, and secretary-treasurer and board member of the Association of Minority Health Professions Schools.

The member institutions in the Association of Minority Health Professions Schools include Morehouse School of Medicine, Xavier University College of Pharmacy, Meharry Medical and Dental Colleges, Florida A&M University College of Pharmacy, Texas Southern University College of Pharmacy, Charles R. Drew Postgraduate Medical School, and the Tuskegee Institute School of Veterinary Medicine. All rely heavily upon programs of the Department of Health and Human Services and the Department of Education to fund the professional training of many minorities in the health professions.

The eight institutions represented by our association have graduated 43 percent of the Nation's black physicians and dentists, 50 percent of the Nation's black pharmacists, and 90 percent of the Nation's black veterinarians.

The programs under the jurisdiction of your subcommittee have a profound effect on the educational missions and success of each of our institutions.

Minority students who attend our institutions depend heavily upon the support of resources allocated by your money panel. The collective and individual goals of our institutions to increase the number of black and other minority professions in the Nation are profoundly affected by your recommendations.

The President's fiscal year 1986 budget proposal, Mr. Chairman, is terribly unrealistic. The zeroing out of the health professions education programs proposed by the President's budget is a clear demonstration of the callous views of the administration toward the goals of establishing a degree of parity among blacks and whites in the health professions.

The President's budget is also an indication of the administration's acute misunderstanding of the real health and education disparities in the Nation. Recently, Health and Human Services Secretary, Margaret Heckler, released the Department's annual "Health USA" report to the Nation. While many advances have been made in the health status of the Nation, there still exists, as was reported by Secretary Heckler, a critical disparity between blacks and whites in relation to health. Other documentation exists that clearly outlines the inequities that yearn to be addressed to provide a real and overall degree of progress in health status.

It is unclear to the students who attend our institutions how the administration can report in one breath the critical disparity in health status among blacks and whites in the Nation, while exhaling a budget proposal that completely wipes out Federal support for the programs that train the professionals who will practice in underserved, minority communities and areas.

I can assure you, Mr. Chairman, that while there may be an emerging abundance of some medical specialties in the Nation, there is still demonstrated and glaring shortages of minority health professionals. In fact, while blacks constitute nearly 12 percent of the Nation's population, blacks account for only 2.6 percent of the Nation's physicians, only 2.9 percent of the Nation's dentists, only 2.3 percent of the pharmacists, and only 1.6 percent of the Nation's veterinarians. Is it any wonder that there is a gaping health status disparity? This issue needs to be addressed, and the best way to reduce this critical gap is through continued support for the training of minorities in the health professions.

Next I would like to speak to the health professions and student aid.

Funding for the health professions student loans, exceptional financial need, financial distress, disadvantaged assistance programs, and the National Health Service Corps scholarships that many former EFN recipients receive to continue their education have been proposed for elimination.

Funding for Pell grants has been proposed slashed by $800 million under the fiscal year 1985 levels and guaranteed student loans cut by $400 million. College work study and supplemental educational opportunity programs would suffer combined cuts of $154 million. A limitation of $100 million has been proposed for health education assistance loans. This is a cut of $150 million.

Ironically, the administration has suggested this program pick up the slack created by the elimination of all the health professions programs. The HEAL Program, while providing some much needed funding to desperate minorities seeking health professions education, carries a high prohibitive interest rate that many times force low-income minorities into high paying medical specialties, thus subverting the goals of our institutions to train professionals in primary care, which prepares them to serve in underserved communities.

The membership of the Association of Minority Health Professions Schools is hopeful that the Congress will not allow critical programs to wilt and perish under the administration's limited ability to recognize the benefit of a strong crusade against the health problems that exist in the Nation. The Association of Minority Health Professions Schools recommends restoration of programs to at least the fiscal year 1985 levels.

In our prepared testimony we have included that as a recommendation.

Next I would like to comment for just a minute on the research infrastructures at minority institutions.

In fiscal year 1985, Congress provided $10 million to establish at the office of the NIH Director an initiative to strengthen the research infrastructures in educational institutions that offer degrees in health sciences. This funding was divided into two programs, the RCMI and AREA Programs.

The efforts of Congressman Louis Stokes to assure this initiative should be recognized by the committee as the first step in assisting in the development of research infrastructure at minority health professions institutions to train minority professionals in research methodology and skills, compete for research dollars, and most importantly to research health problems common to blacks and other minorities.

The President's budget recommends continuing at present levels. The Association of Minority Health Professions School urges that this program be funded at the fiscal year 1985 House recommended level of $10 million to continue the establishment of this important initiative. Similarly, the association urges individual NIH institutes to give strong consideration to funding more minority related research.

Finally, I would like to comment on the NIH forward funding.

The association would like to urge the subcommittee to statutorily assure that the Office of Management and Budget's attempts to subvert the intent of Congress by forward funding of grants be overturned. This scheme of back door impoundment is clearly an attempt to reduce future obligations for NIH, thus diminishing the effectiveness of one of our greatest national assets.

Mr. Chairman, thank you for the opportunity to present the views of the Association of Minority Professions Schools regarding the fiscal year 1986 budget. We are counting on you and your subcommittee to refuse this attempt to eliminate these valuable health professions programs.

I would like to end by sharing a letter that I received from one of our students who ironically is a white student. I received this a couple of days ago. I will read you one or two sentences out of it. She is asking for financial aid from the Jack Eckard Corporation scholarship which is only $1,000.

> My planned date of graduation is December 1985 with a grade point average of 3.9. Based on my present class standing, I should graduate first in my class. I am currently the vice president of our honor society, and a member of several other honor societies on campus. It is my understanding that the Eckard scholarship will be based on need. My husband and I have financed all of my college education through personal loans except for one year in which I received a full scholarship based on my scholastic achievement. Currently, due to the magnitude of the payments of these loans, my last semester of education is in jeopardy. I am unable to secure Government aided student loans due to the stringent requirements. We also have two children from my husband's former marriage whom we support. Presently, I work approximately 30 to 40 hours a week to remain current with the financial burden incurred for my education. This fall, I will be involved in a professional experience program, and I will have no time for working.

So here is the case of a student who is at the top of her class, but may not finish her program because of these reductions.

Thank you very much, and I will be glad to entertain any questions.

### PREPARED STATEMENT

Senator WEICKER. Thank you. We will insert your statement in the record and then I have a few points I think should be made.

[The statement follows:]

## STATEMENT OF MARCELLUS GRACE

I am pleased to appear before you today to present testimony regarding the President's Fiscal Year 1986 budget proposal for health professions and research initiatives. The member institutions of the Association of Minority Health Professions Schools, the Morehouse School of Medicine, Xavier University College of Pharmacy, Meharry Medical and Dental Colleges, Florida A&M University College of Pharmacy, Texas Southern University College of Pharmacy, Charles R. Drew Postgraduate Medical School, and the Tuskegee Institute School of Veterinary Medicine all rely heavily upon programs of the Department of Health and Human Services and the Department of Education to fund the professional training of many minorities in the health professions. The eight institutions represented by our Association have graduated 43% of the nations black physicians and dentists, 50% of the nations black pharmacists, and 90% of the nations black veterinarians. Programs under the jurisdiction of your subcommittee have a profound effect on the educational missions and success of each of our institutions. Minority students who attend our institutions depend heavily upon the support of resources allocated by your money panel. The collective and individual goals of our institutions to increase the number of black and other minority health professionals in the nation are profoundly affected by your recommendations.

### FY'86 BUDGET

The President's Fiscal Year 1986 budget proposal, Mr. Chairman, is terribly unrealistic. The zeroing out of Health Professions Education Programs proposed by the President's budget is a clear demonstration of the callous views of the Administration towards the goals of establishing a degree of parity among blacks and whites in the health professions. The President's budget proposal is also an indication of the Administration's acute misunderstanding of the real health and education disparities in the nation. ¶Recently, Health and Human

Services Secretary, Margaret Heckler, released the Department's Annual "Health USA Report to the Nation". While many advances have been made in the health status of the nation, there still exists, as was reported by Secretary Heckler, a critical disparity between blacks and whites in relation to health. Other documentation exists that clearly outlines the inequities that yearn to be addressed, to provide a real and overall degree of progress in health status. It is unclear to the students who attend our institutions how the Administration can report in one breath the critical disparity in health status among blacks and whites in the nation, while exhaling a budget proposal that completely wipes out federal support for the programs that train the professionals who will practice in underserved, minority communities or areas.

I can assure you, Mr. Chairman, that while there may be an emerging abundance of some medical specialists in the nation, there is still demonstrated and glaring shortages of minority health professionals. In fact, while blacks constitute nearly 12% of the total United States population, blacks account for only 2.6% of the nation's physicians, 2.9% of the nation's dentists, 2.3% of the nation's pharmacists, and 1.6% of the nation's veterinarians. Is it any wonder there is a gaping health status disparity? This issue needs to be addressed. The best way to narrow this critical gap is through continued support for the training of minorities in the health professions.

## HEALTH PROFESSIONS AND STUDENT AID

Funding for the Health Professions Student Loans, Exceptional Financial Need, Financial Distress, Disadvantaged Assistance Programs and National Health Service Corps Scholarships that many former EFN recipients receive to continue their education, have been proposed for elimination. Funding for Pell Grants has been proposed slashed by $800 million under the FY'85 levels and Guaranteed Student Loans cut by $400 million.

College Work Study and Supplemental Educational Opportunity Programs would suffer combined cuts of $154 million. A limitation of $100 million has been proposed for Health Education Assistance Loans. This is cut a of $150 million. Ironically, the Administration has suggested this program pick up the slack created by the elimination of all of the health professions programs. The HEAL Program, while providing some much needed funding to desperate minorities seeking Health Profession education, carries high, prohibitive interest rates that many times force low-income minorities into high paying medical specialities, thus subverting the goals of our institutions to train professionals in primary care, which prepares them to serve in underserved communities.

The membership of the Association of Minority Health Professions Schools is hopeful Congress will not allow critical programs to wilt and perish under the Administation's limited ability to recognize the benefit of a strong crusade against the health problems that exist in the nation. The Association of Minority Health Professions Schools recommends restoration of programs to at least the Fiscal Year 1985 levels.

## RESEARCH INFRASTRUCTURES AT MINORITY INSTITUTIONS

In the Fiscal Year 1985 appropriation measure, Congress provided $10 million to establish at the office of the NIH Director an initiative to strengthen the research infrastructures in educational institutions that offer degrees the health sciences. This funding was divided into the Research Centers in Minority Institutions (RCMI) Program and the Academic Research Enhancement Award (AREA) Program. The efforts of Congressman Louis Stokes to assure this initiative should be recognized by the Committee as the first step in assisting in the development of research infrastructures at Minority Health Professions Institutions to train minority professionals in research methodology and skills, compete for research dollars, and most importantly to research health problems common to blacks and other minorities. The President's budget recommends continuing at present levels. The Association of Minority Health Professions Schools urges this program to be funded at the FY'85 House recommended level of $20 million to continue the establishment of this important initiative. Similarly, the Association urges individual NIH Instititues to give strong consideration to funding more minority related research.

**NIH FORWARD FUNDING**

The Association of Minority Health Professions Schools would like to urge the Subcommittee to statutorily assure that the Office of Management and Budget's attempts to subvert the intent of Congress by forward funding of grants be overturned. This scheme of backdoor impoundment is clearly an attempt to reduce future obligations for NIH, thus, diminishing the effectiveness of one of our greatest national assets.

Mr. Chairman, thank you for the opportunity to present the views of the Association of Minority Health Professions Schools regarding the FY'86 budget. We are counting on you and your subcommittee to refuse this attempt to eliminate these valuable health professions programs. I am pleased to respond to any questions you may have.

APPROPRIATIONS RECOMMENDATIONS FOR FISCAL YEAR 1986

Department of Health and Human Services

A. Financial Distress Grants

| FY'85 Actual | FY'86 President | FY86 AMHPS |
|---|---|---|
| $5.6 MILLION | -0- | $4.0 MILLION |

In accordance with the Advanced Financial Distress site visit team from the Department of Health and Human Services, the Association is recommending the planned phasedown of funding for the Financial Distress Grants.

B. Disadvantaged Assistance

| FY'86 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $24 MILLION | -0- | $24 MILLION |

Disadvantaged Assistance grants and contracts are vital to the identification, recruitment, retention, and placement of minority and disadvantaged students. Institutions rely heavily upon these grants.

C. Exceptional Need Scholarships

| FY'86 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $7 MILLION | -0- | $7 MILLION |

Exceptional need funds are allocated to health professions schools that award students with Exceptional Financial Need Scholarships for their first year of post-baccalauret study.

D. National Institutes of Health Research Infrastructure Development at Minority Institutions (Office of the Director)

| FY'86 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $10 MILLION | $10 MILLION | $20 MILLION |

These grants to fund Research Centers at Minority Institutions (RCMI) and Academic Research Enhancement Awards (AREA) are critical to the development of research infrastructures, training minority professionals in research capacities, compete for research dollars, and most importantly research health problems common to blacks and other minorities.

E. National Health Service Corps Scholarships

| FY'86 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $2.3 MILLION | -0- | $6.3 MILLION |

This level of funding is necessary to assure a continuous flow of minority specialists to low income minority areas. A large number of new NHSC Scholarships are awarded to former Exceptional Need Scholarship recipients.

F. Health Professions Student Loans

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| -0- | -0- | $5 MILLION |

These new HPSL funds should be used to assist minority institutions develop and maintain a sufficient revolving fund. Many minority institutions have not had sufficient time or resources to develop revolving funds.

G. Health Education Assistance Loans

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $225 MILLION<br>(no limit) | $100 MILLION | $225 MILLION<br>(no limit) |

The Association of Minority Health Professions Schools recommends that there be at least $225 million available, or no limit placed upon these loans. Even these high interest loans are necessary in light of other severe fiscal restrictions.

## DEPARTMENT OF EDUCATION

A. Guaranteed Student Loans

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $3.1 BILLION | $2.7 BILLION | $3.1 BILLION |

The Association recommends a special provision be made to expand the limit of GSL to $50 thousand rather than $25 thousand for those students in the health professions.

B. Pell Grants

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $3.6 BILLION | $2.9 BILLION | $3.6 BILLION |

Pell Grants provide assistance to help financially needy undergraduate students meet educational costs

C. National Direct Student Loans

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $215 MILLION | -0- | $215 MILLION |

D. College Work Study

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $592 MILLION | $425 MILLION | $592 MILLION |

E. Supplemental Educational Opportunity Grants

| FY'85 Actual | FY'86 President | FY'86 AMHPS |
|---|---|---|
| $412 MILLION | $425 MILLION | $425 MILLION |

Senator WEICKER. From time to time, the administration has gotten behind a particular effort that relates to a particular minority institution, and I think that that is great for a showcase, and nobody means to demean that particular minority institution but it certainly is no substitute for the broad range of Federal assistance programs that go to everybody.

Mr. GRACE. That is correct.

Senator WEICKER. That point should be made. I think it is something that I would hope, in the future, that minority institutions step out and say: We think that it is great for our institution, but what is far more important is the wide range of student loans that help to keep all of these things adequately funded because that helps everybody.

Mr. GRACE. That is right, Senator.

Senator WEICKER. The other point that I would like to make, because I agree with all of your testimony on how important all of these programs are, I also agree, you made your point statistically, but I would guess, even if you didn't present statistics to me, that the discrepancy as to minority populations and those that have the opportunity to go in these various fields is enormous.

You know, I don't understand the failure of many in the black community, and in the Hispanic community, who have been the beneficiaries of these programs when they were fully funded, to step up to bat now that they are prosperous and insist on it for others behind them. I mean that, I think that that is terribly important.

I see so many that have benefited from this welfare state, throwing money all around the place. I will tell you, as I was going through the educational process as a young man, there were not many, or there were almost no black health professionals, be they doctors, nurses, or veterinarians.

I certainly would be glad to put my shoulder to the wheel to make sure that that the 2-percent figure that you cite should be far higher through assistance from the Federal Government. It would be also helpful for those who have benefited to step up to bat on behalf of those who have yet to enjoy those benefits.

Mr. GRACE. Thank you very kindly, Mr. Chairman. Of course, learning about the political system, and learning about appearing before your committee, we are fortunate that we organized this organization some 4 or 5 years ago because we saw the need.

Your point is well taken that understanding the lobbying process, and making the congressional system work, there are a lot of physicians, dentists, and pharmacists who really don't understand that a letter to their hometown Congressman might very well make a difference. I think your point is well taken.

Senator WEICKER. I know that in the past year, I have gotten several entreaties from leaders of the black community saying: Well, what is your opinion, do you think that we ought to support the President? I say: Well, if you want to see exactly how all the programs for the poor are being impacted, just come down and sit in the Budget Committee.

I don't care what people say, right here at this table is the proof of people's beliefs. Put your money where your mouth is.

Mr. GRACE. Exactly.

Senator WEICKER. It is as simple as that.

Mr. GRACE. Right.

Senator WEICKER. I will tell you, it is just ghastly as to what gets presented to me vis-a-vis minorities in terms of either training, education, or the health programs that impact on the minorities. It is absolutely ghastly presentation. How anybody can say that there is a commitment in this area is beyond me as I measure it in dollars.

Mr. GRACE. That is correct. As you say, the heroic efforts to save Meharry Medical College was, in fact, heroic and appropriate, but there are many other institutions, and as you have identified, we are suggesting that these programs in general, because there are minority students being trained at all the other health professions schools, be supported.

I will share your sentiments, and I thank you for your generous interest and support.

Senator WEICKER. Thank you for your appearance.

## STATEMENT OF DR. HENRY LEWIS, III, ASSISTANT DEAN FOR PLANNING AND DEVELOPMENT, FLORIDA A&M UNIVERSITY COLLEGE OF PHARMACY AND PHARMACEUTICAL SCIENCES

Senator WEICKER. Our next witness is Dr. Henry Lewis, assistant dean, Florida A&M University College of Pharmacy.

Dr. LEWIS. I am Dr. Henry Lewis, assistant dean for planning and development at the Florida A&M University College of Pharmacy and Pharmaceutical Sciences in Tallahassee, FL.

As you have recently heard, Florida A&M University is also a member of the Association of Minority Health Professions Schools.

I am here this morning representing Dr. Charles Walker, dean of the college of pharmacy. I am pleased to have this opportunity to appear before you and discuss some of our unique programmatic research and professional activities in the college of pharmacy, many of which have national significance. I will share further some of the health science advances we have made at Florida A&M University, and some of the research needs that currently exist at the university.

First, allow me to provide some background information relative to our health professior school and its importance nationally in terms of supplying health manpower personnel who are experts relative to medication and drug related problems and diseases.

The pharmacy program at Florida A&M University, or FAMU as we know it, is one of four such programs at historically black colleges and universities. For the past 10 years, FAMU has been a leading producer of minority bachelor of science pharmacist practitioners. Of the 72 schools and colleges of pharmacy in the Nation, Florida A&M University has singly produced approximately 16 percent of all black pharmacists in the Nation. Our college has graduated almost 60 percent of all black postbaccalaureat doctor of pharmacy degree holders since 1979 when we started the program.

Most recently, we became the only college of pharmacy at the historically black colleges and universities to initiate the Ph.D. degree in pharmaceutical sciences. Since 1975 less than 15 black males and no black females have earned the Ph.D. degree in the pharmaceutical sciences, while better than 2,000 have been awarded to majority and other minority candidates in the same period of time.

Because of commitment, tradition, and concern, the college of pharmacy at FAMU will positively impact this situation in the near future. We currently have an enrollment of seven Ph.D. candidates in our program right now.

In addition to the structured programmatic contributions, our college has emphasized for the last 10 years strong research and professional activities of a national and international significance. For the past 5 years, the research program has involved more than 10 percent of our undergraduate students and all of our postbaccalaureat and faculty members at the university.

The strong research activity has resulted in our college being designated as a center of excellence by the Board of Regents of the State University System of Florida. Our college is specifically noted for its accomplishments in the area of chronophysiology and chronopharmacology. While this work is supported by the National Aeronautics and Space Administration [NASA], and the National Institutes of Health, its significance is extremely important in terms of space travel, space laboratories, and even transmeridian air flights while on Earth.

The possibility of developing chronobiotics and compounds that can synchronize and desynchronize human subjects is being studied and advanced in our laboratories. The importance of this research ranges from the extreme interest by our national defense to similar research concerning athletic performance here on Earth, as well as travel across new time zones from the east coast to the west coast.

The college of pharmarcy has made new and important discoveries in health care that have led to the patenting of new drugs and the development of new techniques for the better treatment of patients. Most recently, through our south Florida affiliation, the clinical aspect of our program is serving as a national model for advising the elderly and other medically underserved and noncomplaint patients about their prescription drugs.

We have faculty presently working on a unique project involving the microbial degradation of the rocket fuel hydrazine. We have a group of faculty deeply involved in motion sickness research. We are presently the only academic unit in the Nation, to our knowledge, proposing to synthesize and test new drugs for motion sickness.

Syndicated columnist Carl Rowan wrote in August 1983, and I quote, "Scientists at FAMU's College of Pharmacy are working on the problem of trying to develop medicines to combat space sickness." I am sure that your colleague, Senator Garn, will appreciate that since he was in the last space flight.

The college has established excellent research support from such agencies as NIH, NASA, the Office of Naval Research, the Agency for International Development, as well as the Department of Education.

Support for research generated by the faculty is committed at better than $4 million for the next 4 years. The college is also involved in several training programs. One such program is a space flight program between the college of pharmacy at FAMU and the John F. Kennedy Space Center. Each summer, from 1985 to 1992, FAMU will train 30 college students from across the country to conduct research in the life sciences at NASA. This is a hands-on, 6-week program designed to increase the pool of future aerospace scientists. This is the only such program in the Nation.

Our college is one of the leading research institutions, but the quality and quantity of research and research training is seriously threatened due to the lack of adequate facilities.

Because of the uniqueness and national importance of our program, and the fact that support has not been provided for facilities, we are asking the committee to assist our college by funding in the amount of $5 million the construction of a comprehensive research facility to continue to maintain the quality of research activities in the basic and clinical sciences that we have initiated in the past 10 years.

This facility is desperately needed in order to continue the aforementioned research activities and to expand our quest for knowledge in those diseases facing the American population and particularly the elderly throughout the country. At a time when our Nation's scientific credibility is being challenged, support is urgently needed to continue and to strengthen programs such as Florida A&M University's in its pursuit of excellence.

I appreciate the opportunity to appear before the committee and I thank you for allowing me to explain our programs and our concerns relative to their continued existence.

Senator WEICKER. Dr. Lewis, I thank you very much for your testimony It is greatly appreciated.

What was the figure on the graduating pharmacists, whites and minority?

Dr. LEWIS. Florida A&M has graduated approximately 16 percent of all the pharmacists nationwide. Since we instituted our doctor of pharmacy program, we have produced 60 percent of the black doctoral recipients of doctor of pharmacy degree.

Senator WEICKER. Thank you very much.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much. Your statement will be inserted in the record in its entirety.

[The statement follows:]

## STATEMENT OF DR. HENRY LEWIS, III

I AM DR. HENRY LEWIS, III, ASSISTANT DEAN FOR PLANNING AND DEVELOPMENT AT THE FLORIDA A&M UNIVERSITY COLLEGE OF PHARMACY AND PHARMACEUTICAL SCIENCES IN TALLAHASSEE, FLORIDA. I AM HERE TODAY REPRESENTING DR. CHARLES A. WALKER, DEAN OF THE COLLEGE. I AM PLEASED TO HAVE THIS OPPORTUNITY TO APPEAR BEFORE YOU TO DISCUSS SOME OF OUR UNIQUE PROGRAMMATIC, RESEARCH, AND PROFESSIONAL ACTIVITIES IN THE COLLEGE AND THE UNIVERSITY, MANY OF WHICH ARE OF NATIONAL SIGNIFICANCE. I WILL SHARE FURTHER SOME OF THE HEALTH SCIENCE ADVANCES AND RESEARCH NEEDS OF FLORIDA A&M UNIVERSITY.

FIRST, ALLOW ME TO PROVIDE SOME BACKGROUND INFORMATION RELATIVE TO OUR HEALTH PROFESSION SCHOOL AND ITS IMPORTANCE NATIONALLY IN TERMS OF SUPPLYING HEALTH MANPOWER PERSONNEL WHO ARE EXPERTS RELATIVE TO MEDICATION AND DRUG RELATED PROBLEMS AND DISEASES. THE PHARMACY PROGRAM AT FLORIDA A&M UNIVERISTY (FAMU) IS ONE OF FOUR (4) SUCH PROGRAMS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU'S). FOR THE PAST TEN YEARS, FAMU HAS BEEN THE LEADING PRODUCER OF BLACK MINORITY B.S. PHARMACY PRACTITIONERS. OF THE 72 SCHOOLS AND COLLEGES OF PHARMACY IN THE NATION, FLORIDA A&M UNIVERSITY HAS SINGLY PRODUCED APPROXIMATELY 16% OF THE BLACK PHARMACISTS IN THE COUNTRY. OUR COLLEGE HAS GRADUATED ALMOST 60% OF ALL BLACK POST-BACCALAUREATE DOCTOR OF PHARMACY DEGREE HOLDERS SINCE 1979.

MOST RECENTLY, WE BECAME THE ONLY COLLEGE OF PHARMACY AT THE HBCU'S TO INITIATE THE PH.D. DEGREE IN THE PHARMACEUTICAL SCIENCES. SINCE 1975 LESS THAN 15 BLACK MALES AND NO BLACK FEMALES HAVE EARNED THE PH.D. IN THIS VERY IMPORTANT BASIC SCIENCE, WHILE BETTER THAN TWO THOUSAND HAVE BEEN AWARDED TO MAJORITY AND OTHER MINORITY CANDIDATES. BECAUSE

OF COMMITMENT, TRADITION AND CONCERN, THE COLLEGE OF PHARMACY AT FAMU WILL POSITIVELY IMPACT THIS SITUATION IN THE NEAR FUTURE. IN ADDITION TO THE STRUCTURED PROGRAMMATIC CONTRIBUTIONS, OUR COLLEGE HAS EMPHASIZED -- FOR THE PAST TEN YEARS -- STRONG RESEARCH AND PROFESSIONAL ACTIVITY OF A NATIONAL AND INTERNATIONAL SIGNIFICANCE. FOR THE PAST FIVE (5) YEARS, THE RESEARCH PROGRAM HAS INVOLVED MORE THAN 10% OF OUR 300 UNDERGRADUATE STUDENTS AND ALL OF OUR FACULTY AND POST-BACCALAUREATE STUDENTS. THE STRONG RESEARCH ACTIVITY HAS RESULTED IN OUR COLLEGE BEING DESIGNATED A "CENTER OF EXCELLENCE" BY THE BOARD OF REGENTS OF THE STATE UNIVERSITY SYSTEM OF FLORIDA. OUR COLLEGE IS SPECIFICALLY NOTED FOR ITS ACCOMPLISHMENTS IN THE AREA OF CHRONOPHYSIOLOGY AND CHRONOPHARMACOLOGY. WHILE THIS WORK IS SUPPORTED BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) AND THE NATIONAL INSTITUTES OF HEALTH (NIH), ITS SIGNIFICANCE IS EXTREMELY IMPORTANT IN TERMS OF SPACE TRAVEL, SPACE LABS, AND EVEN TRANSMERIDIAN AIR FLIGHTS WHILE ON EARTH. THE POSSIBILITY OF DEVELOPING CHRONOBIOTICS AND COMPOUNDS THAT CAN SYNCHRONIZE AND DESYNCHRONIZE HUMAN SUBJECTS IS BEING STUDIED AND ADVANCED IN OUR LABORATORIES. THE IMPORTANCE OF THIS RESEARCH RANGE FROM AN EXTREME INTEREST BY OUR NATIONAL DEFENSE TO SIMILAR CONCERNS RELATIVE TO ATHLETIC PERFORMANCE OR WHEN PEOPLE TRAVEL ACROSS NEW TIME ZONES. THE JUNE 1, 1983 CHRONICLE OF HIGHER EDUCATION WROTE THAT, "ACCORDING TO DR. WALKER AT THE FAMU COLLEGE OF PHARMACY, THEIR RESEARCHERS ARE WORKING TO DEVELOP A NEW DRUG THAT WILL MAKE IT POSSIBLE FOR INDIVIDUALS TO SHIFT THEIR CIRCADIAN CYCLE FROM ONE TIME ZONE TO ANOTHER, WITHOUT HARM."

THIS RESEARCH HAS TREMENDOUS IMPORTANCE IN MEDICINE, ESPECIALLY IN TERMS OF THE PROPER TREATING OF PATIENTS WITH MEDICATIONS FOR ILLNESSES WITH MINIMAL TOXIC SIDE EFFECTS.

THE MAY 27, 1978 BRITISH MEDICAL JOURNAL, IN AN EDITORIAL RELATIVE TO A RECENT INTERNATIONAL SYMPOSIUM - HOSTED BY THE FAMU COLLEGE OF PHARMACY WROTE, "THE FLORIDA A&M CONFERENCE COVERED MANY TOPICS FROM ENDOCRINOLOGY AND PARASITOLOGY TO NEUROPHARMACOLOGY. CHRONOBIOLOGY IS A NEW SCIENCE AND CHRONOTHERAPEUTICS MAY WELL BE A NEW SKILL FOR CLINICIANS TO LEARN AS THE EVIDENCE ACCUMULATES OF THE IMPORTANCE OF THE TIMING OF TREATMENT FOR EITHER THE DAY OR THE HOUR."

THE COLLEGE OF PHARMACY HAS MADE NEW AND IMPORTANT DISCOVERIES IN HEALTH CARE THAT HAVE LED TO THE PATENTING OF NEW DRUGS AND THE DEVELOPMENT OF NEW TECHNIQUES FOR THE BETTER TREATMENT OF PATIENTS. MOST RECENTLY, THROUGH OUR SOUTH FLORIDA AFFILIATION, THE CLINICAL ASPECT OF OUR PROGRAM IS SERVING AS A NATIONAL MODEL FOR ADVISING THE ELDERLY AND OTHER MEDICALLY UNDER SERVED AND NON-COMPLAINT PATIENTS ABOUT THEIR PRESCRIPTION DRUGS. WE HAVE FACULTY PRESENTLY WORKING ON A UNIQUE PROJECT INVOLVING THE MICROBIAL DEGRADATION OF THE ROCKET FUEL HYDRAZINE. WE HAVE A GROUP OF FACULTY DEEPLY INVOLVED IN MOTION SICKNESS RESEARCH. WE ARE PRESENTLY THE ONLY ACADEMIC UNIT, TO OUR KNOWLEDGE, PROPOSING TO SYNTHESIZE AND TEST NEW DRUGS FOR MOTION SICKNESS. SYNDICATED COLUMNIST CARL ROWAN WROTE IN AUGUST OF 1983 THAT: "SCIENTISTS IN FAMU'S COLLEGE OF PHARMACY ARE WORKING ON THE PROBLEM OF TRYING TO DEVELOP MEDICINES TO COMBAT SPACE SICKNESS."

THE COLLEGE HAS ESTABLISHED EXCELLENT RESEARCH SUPPORT FROM SUCH AGENCIES AS NIH, NASA, ONR, AID, AND DOE. SUPPORT FOR RESEARCH GENERATED BY THE FACULTY IS COMMITTED AT BETTER THAN FOUR (4) MILLION DOLLARS FOR THE NEXT FOUR (4) YEARS. THE COLLEGE IS ALSO INVOLVED IN SEVERAL SPECIAL TRAINING PROGRAMS. ONE SUCH PROGRAM IS THE SUMMER SPACE LIFE SCIENCES

TRAINING PROGRAM, BETWEEN THE COLLEGE OF PHARMACY AT FAMU AND THE J. F. KENNEDY SPACE CENTER. EACH SUMMER, FROM 1985 THROUGH 1992, FAMU WILL TRAIN 30 COLLEGE STUDENTS FROM ACROSS THE COUNTRY TO CONDUCT RESEARCH IN THE LIFE SCIENCES AT NASA. THIS IS A HANDS-ON, SIX WEEKS PROGRAM DESIGNED TO INCREASE THE POOL OF FUTURE AEROSPACE SCIENTISTS. THIS IS THE ONLY SUCH PROGRAM IN THE NATION.

OUR COLLEGE IS ONE OF THE LEADING RESEARCH INSTITUTIONS, BUT THE QUALITY AND QUANTITY OF RESEARCH AND RESEARCH TRAINING IS SERIOUSLY THREATENED DUE TO THE LACK OF ADEQUATE FACILITIES.

BECAUSE OF THE UNIQUENESS AND NATIONAL IMPORTANCE OF OUR PROGRAMS AND THE FACT THAT SUPPORT HAS NOT BEEN PROVIDED FOR FACILITIES, WE ARE ASKING THE COMMITTEE TO ASSIST OUR COLLEGE BY FUNDING IN THE AMOUNT OF FIVE (5) MILLION DOLLARS THE CONSTRUCTION OF A COMPREHENSIVE RESEARCH FACILITY TO CONTINUE TO MAINTAIN THE QUALITY OF RESEARCH AND OTHER ACTIVITIES IN THE BASIC AND CLINICAL SCIENCES WHICH HAVE BEEN INITIATED OVER THE PAST DECADE. THIS FACILITY IS DESPERATELY NEEDED IN ORDER TO CONTINUE THE AFOREMENTIONED RESEARCH ACTIVITIES AND TO EXPAND OUR QUEST FOR KNOWLEDGE IN THOSE DISEASES FACING THE AMERICAN POPULATION AND PARTICULARLY THE ELDERLY THROUGHOUT THE COUNTRY. AT A TIME WHEN OUR NATION'S SCIENTIFIC CREDIBILITY IS BEING, CHALLENGED, SUPPORT IS URGENTLY NEEDED TO CONTINUE AND TO STRENGTHEN PROGRAMS SUCH AS FLORIDA A&M UNIVERSITY'S IN ITS PURSUIT OF EXCELLENCE.

I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE THE COMMITTEE AND I THANK YOU FOR ALLOWING ME TO EXPLAIN OUR PROGRAMS AND OUR CONCERNS RELATIVE TO THEIR CONTINUED EXISTENCE.

## STATEMENT OF WORTH LOOMIS, AMERICAN HEALTH PLANNING ASSOCIATION, PRESIDENT, DEXTER CORP.

Senator WEICKER. Just before my leaving, and I notice that my good friend Senator Inouye is here, and I know that he has a special mission to take care of, I would like to introduce, if I could, Worth Loomis of the American Health Planning Association. He is the president of the American Health Planning Association.

Mr. LOOMIS. Good morning, Senators.

My name is Worth Loomis. I am chairman of the Business Coalition on Health of Hartford, CT, and president of the Dexter Corp., a Fortune 500 corporation, located in Windsor Locks. I am here today to speak on behalf of the American Health Planning Association in strong support of the need for Federal funds for State and local health planning. My support was earned by the performance of the Health Systems Agency, the HSA, in our community.

When the Hartford business awoke in 1982 to the nightmare of health care costs, we were helped to form a coalition by the HSA. We have been staffed through an agreement with them, and together with the HSA, we have been a very important part of the cost containment measures which now exist in the State of Connecticut.

I think the Hartford business community, and indeed the people of this country owe you, Senator, a great vote of thanks for the work that you have done in providing the HSA's, and the one that was there to help us out in 1982 when we needed it. Parenthetically, let me add, also for your work on the biomedical research budget. Both are terribly important.

The administration's proposed elimination of planning resources should not, in my opinion, be viewed just as a budget issue, but rather a philosophical and a political issue of who decides the future size and distribution of services within the health care system, and clearly that is too important a question to be left to hospital administrators and doctors.

I hear a lot of rhetoric that planning and capital expenditure reviews inhibit the competition needed to attack the health care cost problem. I am a Republican and a businessman, and I favor competition, but I believe that both planning and capital expenditure reviews are needed now to contain health care costs, and they are not incompatible with the kind of competition we should encourage at this time.

As an aside at this point, Senators, I would like to ask you to consider legislation that would require efficacy testing of new medical technology just as the FDA now requires efficacy testing for new medical drugs, both are very necessary protection for consumers in this country.

Community health planning councils were originated by business some 30 or 40 years ago to restrain the proliferation of hospital expansions after World War II that was threatening to drain the corporate and the private purse. We still need health planning agencies today for exactly the same reason. Business participation in that process is vital, and it isn't sustained unless some kind of a structure for it exists.

Health planning allows a restraint to be placed on hospitals and doctors without fear of antitrust liability, and that is an increasing concern and the key to avoiding it lies in making sure that there is an open and rational independent planning process undertaken to protect the public interest.

Recognizing the need to allocate dollars, we are here today to ask only for what we believe is the minimum necessary to continue the Health Planning Program in fiscal year 1986, and that minimum is $68.7 million, a very modest $3.9 million increase for local planning, and that is the amount required to stay at the fiscal year 1984 per capita funding level, with no increase for inflation.

American business, indeed the Nation needs the guidance that federally supported health planning agencies provide. It would be a waste of a national resource to shut down that existing body of knowledge and expertise. At this critical juncture, as we all strive to put together a force for change in the health care system, I ask you to continue support for a very necessary restraint, health planning.

Thank you.

Senator WEICKER. Worth, thank you very much. You should know that in the negotiations that are ongoing with the administration, the Weicker-Inouye compromise does include funds for the health planning. If that goes through, the funds will be there.

Mr. LOOMIS. Great.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much. We will insert your statement in the record.

[The statement follows:]

## Statement of Worth Loomis

My name is Worth Loomis. I am chairman of the Business Coalition on Health of Hartford, Connecticut and president of The Dexter Corporation, a manufacturing company headquartered in Windsor Locks, Connecticut with sales of about $655 million a year, 35 plants, and 6,000 employees. I am here today to speak on behalf of the American Health Planning Association in strong support of the need for federal funds for state and local health planning.

I am a businessman, not a professional health planner. But when I was asked to testify for federal support of health planning, I jumped at the chance to speak out for a process that is important to the future of the health care system in America. My support was earned by the performance of the Health System Agency (HSA) in my community, an agency which is an invaluable source of technical expertise to the many groups which are struggling to contain health care costs in Greater Hartford and Connecticut. For the fact that the HSA existed when the Hartford business community awoke in 1982 to the nightmare of health care costs, I thank you and your committee who have done more than your share to continue the program. We formed our Business Coalition in 1983, have staffed it through an agreement with the HSA, and together with the HSA have been an important force in the health care cost containment programs now in place in Connecticut.

As you know, the Administration's FY 86 budget again calls for the elimination of any federal funding for the health planning program. I urge Congress not to abandon restraints on a health care system. Appropriations for health planning, even in these tight fiscal times, are clearly justified. The United States is now spending about one billion dollars a day on health care. Yet federal support for states and communities to plan for these expenditures is less than 1/20th of 1 percent of this amount. The question is -- can we afford not to plan for resources that currently amount to 11 percent of our GNP?

We do a lot of planning at Dexter, and our plans regularly need revision. Planning is difficult; it is not a quick fix or an easy panacea. But to fail to plan for any institution of importance to society can only be described as madness. Health planning involves communities in:

- evaluating health needs and health resources;
- shaping the delivery of health care to promote less costly settings;
- avoiding unnecessary overbuilding;
- avoiding unnecessary duplication of services; and
- finding efficient ways of meeting the basic health care needs of the economically disadvantaged.

The proposed elimination of planning resources should not be viewed as a budget issue but rather as a philosophical and political issue. Who decides the future size and distribution of services within the health care system? It is too important a question to be left to hospital administrators and doctors.

I hear a lot of rhetoric that planning and capital expenditure reviews inhibit the competition needed to attack the health cost problem. I am a Republican and a businessman who favors competition but accepts regulation when necessary, with regret. I believe both planning and capital expenditure reviews are needed now to contain health care costs and that they are not incompatible with the kind of competition we should encourage at this time.

Business is doing its share of health care cost containment, but the cost problem is too big for any one sector to solve by itself. Increasingly, the business sector is teaming up with health planning agencies to provide that mixture of efforts which is critical to changing a system as complex as health care. State and local planning agencies are an important and effective part of an integrated approach to solving the cost problem because:

- The community and business need health planning agencies to help allocate scarce resources.

  Community health planning councils were originated by business thirty or forty years ago to restrain the proliferation of hospital expansions after WWII that was threatening to drain the corporate and private purse. We still need health planning agencies for exactly the same reason.

- Planning organizations provide the community and business a voice in health system expansion.

  Planning agencies serve as watchdogs for payors and consumers, making recommendations designed to restrain costly hospital or other health-facility expansion or duplication. They also are a vehicle for monitoring the impact on the community of reimbursement and health policy decisions made at other levels. Business participation in this process is vital and influential and doesn't happen unless a structure for it exists.

- Health planning allows restraint to be placed on hospitals and doctors without fear of antitrust liability.

  The key to avoiding antitrust liability lies in making sure that there is an open, rational, and independent planning process undertaken to protect the public interest. Officially sanctioned health planning offers business such a process.

- Health planning provides the community and business with a valuable source of health data.

  Health planning agencies provide analysis which translates technical health system data into meaningful information for consumers and purchasers. They provide industry, business coalitions, and other groups entering into the health cost management arena invaluable assistance in understanding the complexities of the health care system.

- Health planning carries out many other functions of value to the community and to business.

  Health planning elevates awareness and understanding of critical issues; analyzes disparate views; fosters coordinated actions; and addresses issues the marketplace cannot and will not resolve. As the health care system components compete and increasingly work in greater isolation, participatory decisionmaking becomes more critical. Health planning is a mechanism for business to influence external decisions made outside the community with which the community must ultimately live.

As you know, the health planning program has received level funding of $64.8 million under four consecutive continuing resolutions, thanks to your committee and the Congress. Once again, today, we request that you give us the needed resources to continue health planning -- a vestige of a strong federal concern for and commitment to rational health policy, cost containment, and access to care for all Americans.

## TABLE 1

## Number of Health Systems Agencies and Per Capita Funding

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|
| Number of Agencies | 204 | 203 | 179 | 131 | 131 | 142 |
| Per Capita Funding | 51.0¢ | 40.1¢ | 16.0¢ | 22.9¢ | 22.5¢ | 19.5¢ |

## TABLE 2

## Annual Appropriations for Health Planning

(in millions)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|
| Local Planning | $124.7 | $ 83.7 | $37.7 | $37.7 | $37.7 | $37.7 |
| State Planning | $ 32.0 | $ 32.2 | $19.2 | $19.2 | $19.2 | $19.2 |
| Centers for Health Planning | $ 1.0 | $ 2.0 | $ 1.3 | $ 1.3 | $ 1.3 | $ 1.3 |
| Federal Program Support | $ 9.7 | $ 9.2 | $ 6.6 | $ 6.6 | $ 6.6 | $ 6.6 |
| Total | $167.4 | $127.1 | $64.8 | $64.8 | $64.8 | $64.8 |

As you can see from both tables, health planning has absorbed its fair share in program reductions. Local planning agencies received a 32% funding cut in 1981 and an additional 54% cut in 1982 over 1981. There have been no increases since. State agencies received a 19% cut in 1982 and have also had static funding for three years.

Agencies have made valiant efforts to replace the lost federal funds and are making significant headway in the private sector. The insurance industry, in particular, has been helpful.

But planning agencies, often replacing those shut down in the early eighties, are increasing in number and are again seeking federal support. Although this surge in renewed commitment to planning and the concept of community involvement is welcome, it creates further dilution of a very limited pool of funds which has not increased in four years.

We believe more dollars are needed to support a stable and strong health planning program able to carry out a commitment to access and cost management. However, recognizing that many programs have similar problems, we are here today to ask only for what we believe is a minimum necessary to continue the program in FY 86, i.e., $68.7 million, a very modest $3.9 million increase for local planning.

This is the amount required to stay at the FY 84 per capita funding level, with no increase whatsoever to account for inflation. Two million dollars of the increase would provide for funding for the new agencies which were formed in 1985. The remaining $1.9 million, along with special language, would allow all planning agencies to receive at least $150,000.

Health program and funding cuts designed to reduce federal and state health expenditures combined with efforts to establish stronger market forces in the health care system are creating unprecedented change and uncertainty. American business is taking an active role in seeking to constrain amounts spent for their own employees' health care, while at the same time joining together in business coalitions to influence the system providing that care. American business, indeed the nation, needs the guidance that federally supported health planning agencies provide. It would be a waste of a national resource to shut down that existing body of knowledge and expertise.

In conclusion, I am concerned about what is going on in health care, just as I am optimistic that we can make the changes necessary to reduce costs and assure access to care. At this critical juncture, as we strive to put together a force for change, I ask you to continue support for a very necessary restraint -- health planning. Thank you.

## STATEMENT OF TERENCE A. ROGERS DEAN, SCHOOL OF MEDICINE, UNIVERSITY OF HAWAII

Senator WEICKER. Our next witness will be Dean Terence Rogers of the school of medicine of the University of Hawaii. I am going to leave you, Dean Rogers, to the merciless cross-examination of the senior Senator from Hawaii.

Senator INOUYE. I am running for reelection.

Senator WEICKER. I have an issue that is a little bit important to Connecticut, which Amtrak, that is on the floor right now. I have always been amazed by the fact that there are interstate highways in Hawaii.

[General laughter.]

Senator WEICKER. I believe that you have them and they are funded, but I don't think that Amtrak has gone there yet.

Dean Rogers, it is good to see you since I saw you last in Hawaii.

Senator INOUYE [presiding]. It is always a pleasure to have you, sir.

Dr. ROGERS. As you know, I am the dean of the school of medicine in Hawaii. It is a tough job, but somebody has to do it.

I am here to testify regarding our progress in health and rehabilitation initiatives conducted by us in consequence of appropriations originating from the interest of this committee in the welfare of the people of the Trust Territory of the Pacific Islands that lie to the west of our State.

As you yourself emphasized many times, our presence there is in our best national interest, not just accidental.

In handicapped research, through a cooperative agreement with the National Institute of Handicapped Research, we have, since your appropriation, identified all of the physically handicapped persons in the American Pacific, that is a region as large as the United States itself. We have developed a standardized patient record and progress system using an uncomplicated telecommunication system.

We have brought all of the rehabilitation workers in the area together and we have achieved a gratifying degree of alignment.

We identified a major need for remote areas as multipurpose rehabilitation workers, breaking away from the almost excessive categorization characteristics of the rehabilitation field. The first group have been trained.

At the other end of the technical spectrum, we have begun to catch up on a backlog of children requiring advanced surgery for chronic otitis media. This has been conducted by our faculty and with the most open-handed participation of surgeons from the Army at Tripler Army Medical Center.

Our other big project has not moved so well, and that is to train a new cadre of Micronesian medical officers to replace the present cohort who rapidly approach retirement. You will recall that $2.5 million was appropriated for this purpose, but the Department of Health and Human Services has not yet issued the request for proposals nor application instructions.

Nevertheless, we have practically completed our planning, using $120,000 granted by the Department of the Interior for this purpose and a great deal of our own resources. With appropriately fast action, we could begin instruction of the first class in Ponape, in the eastern Caroline Islands, by January 1986.

Senator Inouye. Thank you very much, Dr. Rogers.

On the matter of the medical officers, just for the record, what is the population of Micronesia?

Dr. Rogers. About 150,000, not counting Guam.

Senator Inouye. These people live on about 1,000 islands?

Dr. Rogers. Yes.

Senator Inouye. How many American-type M.D.'s do you have there?

Dr. Rogers. About 10 who are employees of those governments, and there are about 25 young physicians in the National Health Service Corps assigned there for 2 years.

Senator Inouye. How many, so-called, Fijian native doctors do we have?

Dr. Rogers. Thirty-five.

Senator Inouye. Of that number, all would be retired within a few years.

Dr. Rogers. Yes; a very few years.

Senator Inouye. So you would have 120,000 people living on 1,000 islands helped by a handful of American medical doctors.

Dr. Rogers. Yes; in the cultural sense, entirely by expatriots, none of their own people involved.

Senator Inouye. I think we can't emphasize too much the fact that what you are doing is in our national interest. The least we could do, if we want them to be happy and on our side, is to provide basic medical assistance.

For those who are not familiar with chronic otitis median, would you explain?

Dr. Rogers. It is a chronic infection of the middle ear. The etiology is very complex, but it is quite characteristic of disadvantaged populations throughout the world, shall we say, for reasons we don't quite understand.

The problem is that when the child has the disease, it is not only extremely painful, but the child cannot hear. Some very careful studies have shown that with just a few months of hearing loss in early infancy that child shows lifelong defects in communication skills.

Senator Inouye. The statistics that were in existence about 4 years ago which indicated an extraordinary high of everything from hypertension to diabetes, leprosy, tuberculosis and so on, have these statistics changed?

Dr. Rogers. No; we have been quite alarmed in doing this epidemiological study of the handicapped people that one-half of the handicapped people in Micronesia are handicapped in consequence of middle age onset of diabetes, that is they lose extremities from gangrene, they go blind or they get renal failure.

We expected to find many more handicapped people because of the incidence of the disease, and the reason that there are not more handicapped people is because they die.

Senator Inouye. If I recall correctly, 50 percent of the adults have diabetes.

Dr. Rogers. In the Marshall Islands, it is the worst, in the Ponape, Copinga, Maringue area, next, and then generally becomes less serious as one progresses westward toward the Philippines.

Senator Inouye. What about hypertension?

Dr. Rogers. It is being helped through dietary changes.

Senator Inouye. I can assure you that if the chairman of this committee and I have anything to say about this, it will be fully funded.

Dr. Rogers. Thank you.

## PREPARED STATEMENT

Senator Inouye. Thank you very much. Your statement will be placed in the record.

[The statement follows:]

### Statement of Dean Terence Rogers

I am Terence Rogers, dean of the school of medicine at the University of Hawaii.

I am here to testify regarding our progress in health and rehabilitation initiatives conducted by us in consequence of appropriations originating from the interest of this committee in the welfare of the people of the Trust Territory of the Pacific Islands, that lie to the west of our State of Hawaii.

In handicapped research, through a cooperative agreement with the National Institute of Handicapped Research, we have identified all physically handicapped persons in a region as large in area as the United States itself. We have developed a standardized patient record and progress system using an uncomplicated telecommunication system. We have brought all the rehabilitation workers in the area together and have achieved a gratifying degree of alignment. A major need identified for remote areas is for multipurpose rehabilitation workers, breaking away from the almost excessive categorization characteristic of the rehabilitation field. The first group have been trained. At the other end of the technical spectrum we have begun to catch up on a backlog of children requiring advanced surgery for chronic otitis media. This has been conducted with the most open-handed participation of DOD surgeons from the Tripler Army Medical Center.

Our other big project is to train a new cadre of Micronesian medical officers to replace the present cohort who rapidly approach retirement. You will recall that $2.5 million was appropriated for this purpose, but the Department of Health and Human Services has not yet issued a request for proposals nor applicatoin instructions. Nevertheless, we have practically completed our planning using $120,000 granted by the Department of the Interior for the purpose and a great deal of our own resources.

With appropriately fast action we could begin instruction of the first class (in Ponape, eastern Caroline Islands) by January 13, 1986.

## STATEMENT OF JEANNE L. FARREL, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL HOMECARING COUNCIL

Senator Inouye. Our next witness is Ms. Jeanne Farrell, president and chief executive officer of the National HomeCaring Council. Welcome, Ms. Farrell.

Ms. Farrell. Thank you, Senator.

My name is Jeanne Farrell, and I am the president and chief executive officer of the National HomeCaring Council in New York City. However, my home is in Greenwich, CT, and I am sorry that Senator Weicker was called away. In Greenwich, I administered a large social services program which included a homemaker/home health aid service. I am here today to offer testimony in regard to funding for home care programs in fiscal year 1986. I am grateful to have this opportunity.

As I mention in my written testimony, I believe that it is unwise and perhaps even dangerous to zero-out home care funding for fiscal year 1986, and I would urge that at least the present $3 million level be restored not only to develop new programs in home care, but to strengthen existing ones, and most importantly to provide training for homemaker/home health aides.

If we were not faced with the need for fiscal restraint, I think I would urge 10 times that amount because the need is so urgent.

In my written testimony, I have said that I don't have to remind any of us that one of the dominant concerns in America today is escalating health care costs. We all know what has happened to hospital bills, doctor bills, and other health care bills. Yet, under our noses, I think, is a hidden weapon to help us get control of those runaway costs, and that hidden weapon is home health care.

I am not talking about calling up an employment service and hiring the first person who comes through the door. What I am talking about instead is a homemaker/home health aid service with training, with standards, with supervision. I am talking about a quality of service that deserves to be a part of the American health care system.

That is really what the National HomeCaring Council is all about. We have a proud record, over 22 years of promoting standards in home health care which assure not only quality, but assure cost effectiveness.

There are really two points that I would like to emphasize today as I urge that the current level of $3 million be maintained in the 1986 budget. The first point is that funding for this program should not be placed in a block grant which itself is being cut. I think that if this happens, this Home Care Program will not surface on Main Street, U.S.A., and I say that because of my experience with what happened to title XX social services programs once they were placed in the Social Services Block Grant Program.

If you think back to the 1967 social service amendments, some of those programs had their beginnings. They persevered along for a few years, and then when title XX was passed, they were reinforced and began to grow throughout the country. Then when they were placed in the Social Services Block Grant Program, many of them were lost in the shuffle, especially those programs which are considered soft, if you will, something such as home care which is not well known until you really need it.

I think there is too much competition out there for home care to surface at the local level if it is placed in the block grant. I think that it must maintain its own identity in the Federal budget, and it must have its own identity at the State level and the local level.

Why do I say this? That leads me to my second point. Home care programs must grow, they must flourish if we are to meet existing needs, and I speak about the needs of our elderly population. I speak about the needs of children who can be helped through home care to stay in their homes, and not go into foster care. But, they also must help with emerging needs, the care of the retarded, the care of the mentally ill who are being discharged from institutions and who need the help of a homemaker/home health aide to ease their transition back into the community.

When I talk about that, about using homemaker/home health aides to help retarded people as they are coming out of institutions and psychiatric patients, this is not some social worker's pie-in-the-sky dream, this is what is happening out there. Home care programs at the local level are using creative and innovative approaches in trying to help the discharged psychiatric patient, trying to help the retarded person make it in the community.

It is happening, but I don't think that it is going to continue, and I don't think that it is going to be able to be effective, cost effective, and effective in a humane way, unless there is a Federal commitment to maintain this as its own program, and not have it absorbed into a block grant program.

I really see no alternative if we are to control runaway health care costs, and if we are to say to people out there on Main Street, U.S.A., that the Federal Government cares, and that the Federal Government is listening. Speaking as a human services professional for more than 30 years, I think that this is what is happening out there; we are wondering if anybody is listening in terms of home care.

I thank you for the opportunity to speak with you today, and I will be pleased to answer any questions that you may have.

Senator INOUYE. From what little I know of your activities, I am impressed that this is one of the ways, if not the most cost-effective way to deliver health care to the populace. I most certainly will urge my colleagues to support that.

Ms. FARRELL. Thank you very much, Senator.

### PREPARED STATEMENT

Senator INOUYE. Thank you. Your statement will be entered into the record.

The last five bells are telling me to get to the floor because there is a vote on Amtrak. The subcommittee will be in a short recess of 10 minutes, and then I will be back.

[A brief recess was taken.]

[The statement follows:]

## STATEMENT OF JEANNE L. FARREL

I am pleased to appear before you today to discuss the funding of HomeCare programs.

I don't have to remind any of us that one of the dominate concerns of America is the escalating increase in health care costs. We all know what has happened to doctor bills, hospital bills and other health care costs.

Yet under our noses we have a hidden weapon that could control these run-a-way costs.

That hidden weapon is home health care.

I'm not taking about calling up the nearest employment service to hire whoever walks in the door. Rather, I'm taking about homemaker health aide service with standards, with training , with supervision - a quality of service that deserves to be part of the American health care system. In short, that's what the National HomeCaring Council is all about.

HomeCare is now recognized universally as a method of providing care for people of all ages in their own homes -- where they prefer to be -- when they need help due to illness, family breakdown, mental disability, or other problems which may impair their daily functioning.

HomeCare is a more humane approach than institutional care when the disabled and elderly of the nation as well as families with children need help to remain together as crises occur with which they cannot cope unaided. It is also more cost effective than institutional care.

It is clear, Mr. Chairman, that HomeCare alternative services will continue to grow and serve as an essential complement to traditional sources of health care delivery.

Many changes have taken place just in the past few years.

HomeCare has become an increasingly progressive field, and remains a less costly supplement or alternative to institutional care and treatment. With the recent implementation of hospital DRG's and the financial incentive to discharge hospital patients as soon as possible, homecare services, patients, providers and other professionals are growing at a rate never believed possible. Resulting from this phenomenal growth rate is the reality that homecare professionals are providing more than the traditional homemaker-home health aide services -- because patients are leaving the hospital sooner and sicker, professionals are providing more rehabilitation, paramedical and family related services.

When assessing the coming challenges and potential growth of HomeCare activities, it is important that we take into consideration the changing face of the nation's aged population. By the year 2000 there will be 36 million Americans over the age of 65, five and one-half million Americans over the age of 85. These are the age groups that are the most frequent users of HomeCare services. This significant increase in the elderly of our nation will most certainly challenge the nation and HomeCare industry to seek even more productive and efficient means of providing homecare services.

Mr. Chairman, the national HomeCare picture is always changing, now more than ever. To keep up with this ever changing focus, a small amount of resources is necessary to establish new HomeCare initiatives and most importantly train individuals and agencies to provide quality care and services to the multi-needed patient population being served.

The Home Health Program Administered by the Health Resources and Services Administration has made funding grants and loans to HomeCare agencies to meet the initial cost of establishing HomeCare agencies, to expand existing services to meet the increasing demands of the recent proliferation of care being provided, and for the training of qualified personnel to serve as homemaker-home health aides, and other professionals in the field.

It appears to the National HomeCaring Council that, taking into consideration the phenomenal growth rate and rapid changes in HomeCare services, and the industry itself ---- the Administration's budget proposal to zero out funding for the training and expansion programs through HRSA is unwise. There must exist a federal commitment to keep individuals trained in Homecare, as well as a commitment to developing agencies in the direction of health maintenance and prevention. This is a small amount when compared to the dollars committed to other estabished providers.

The National HomeCaring Council recommends that your Subcommittee restore funding for Fiscal Year 1986 to the present $3 million level to continue the important and severely needed efforts of HRSA to assist in estabishing and expansion of services, but most importantly, to continue training efforts to keep up with the rapidly changing homecare scene.

Thank you for the opportunity to present the views of the National HomeCaring Council.

## STATEMENT OF MARJORIE BOWMAN, M.D., M.P.A., AMERICAN ACADEMY OF FAMILY PHYSICIANS

Senator INOUYE. The hearing will please come to order.

Our next witness is Dr. Marjorie Bowman of the American Academy of Family Physicians.

Dr. BOWMAN. I am pleased to be here. I am an assistant dean, and director of the family practice residency of Georgetown University and Providence Hospital. I am here representing the American Academy of Family Physicians as you noted.

Family practice residency programs fulfill an essential societal need by producing well-qualified family physicians able to provide cost-effective, comprehensive, and continual care to all members of the family regardless of age, sex, medical problem, or organ system involved.

Family physicians also serve the underserved in both rural and urban areas. For the past decade, Congress has targeted family practice residencies for financial support. This support has been critical for their growth and development. Now the combination of the administration's efforts to reduce funding for graduate medical education, the institution of the prospective payment system, and their suggestion to have zero dollars for primary care programs threaten the advancements that have been made.

As resources for teaching hospitals become more scarce, the potential for the elimination of family practice and other primary care programs increases because reimbursement for primary care services is currently inadequate to cover educational costs.

The two sections of most concern to us in the Public Health Service Act are section 780 and section 786. Section 780 authorizes grants to schools of medicine to establish and maintain or improve academic units of family medicine. The maintenance of this academic base for family practice within medical schools is crucial for the specialty's ability to remain viable in the academic environment.

The appropriation for fiscal year 1985 for this section is $7.5 million.

The second section of particular concern is section 786, which provides grants to support residency training in family practice, faculty development, and predoctoral training in family medicine. The funds have been used to establish new, and to maintain and improve existing family practice residency programs.

The current appropriation is $36 million, and it supports almost one-half of the family programs in the United States. It is quite evident that these few dollars have gone a long way.

A major area of concern, and part of the reason why we are concerned that primary care programs and family practice are going to be particularly hurt with the proposals to cut graduate medical education reimbursement, family practice programs emphasize ambulatory services and cost containment, and simply do not generate enough money in the current reimbursement system to be financially attractive to hospitals as other residency programs.

Overall, the statistics are that over three-quarters of the cost of residencies are supported by patient care. In family practice programs, and other primary care programs, the percentage of cost is closer to 20 or 30 percent.

In 1984, over 1 dozen hospitals have indicated their decision to eliminate their Family Practice Residency Program with the financial uncertainties playing a major role in these decisions.

I would also comment on the proposed oversupply of physicians and how that relates to family physicians and primary care physicians.

Although GMENAC has said that there is going to be an oversupply, and many people believe there will be, I think it is the kind of physicians that we are going to have that is important. Without continued Federal support for family medicine, I don't think that we will continue to produce family physicians at the current rate, which is hardly enough to take care of those who are retiring.

I think that Federal incentives are still necessary to help support family practice residencies. Thus we strongly urge you to continue your support of family medicine programs. Thank you.

### PREPARED STATEMENT

Senator INOUYE. Thank you. Your statement will be inserted in the record at this point.

[The statement follows:]

## STATEMENT OF DR. MARJORIE BOWMAN

Each year for the past several years, the American Academy of Family Physicians has appeared before you to ask for your help in maintaining funding for family practice training programs. We are deeply appreciative of the strong support that the members of this subcommittee have expressed for these programs through the appropriations process. As you know, federal support of family practice training is critical to the maintenance of these programs. Considerable discussion currently is taking place in the Congress and the Administration with respect to the federal role in financing of graduate medical education, both through the Public Health Service grants and through the Medicare program. For family practice, this debate and its eventual outcome are critical to the future of the profession. The issue is a complicated one with several elements intertwined--Medicare payments for both direct and indirect medical education costs, Public Health Service grants for support of family practice training programs and Medicare physician reimbursement. The funding of family practice training programs is affected by each of these components. This year, as we face the Administration's proposed budget which would eliminate all funding to family practice, your continued support is crucial.

The two sections of the Public Health Serivce Act which are of key concern to our Academy are Section 780 and Section 786. Section 780 authorizes grants to schools of medicine to establish, maintain and/or improve academic and administrative units to provide clinical instruction in family medicine. Currently 74% of the U.S. medical schools have departments of family practice. The maintenance of this academic base for family practice within medical schools is crucial to the specialty's ability to remain viable in an environment of scarce economic resources. The appropriation for FY 85 for this section is $7.5 million. The funding for Section 780 supports 61 projects. The second section of particular concern to the AAFP is Section 786 which provides grants to support residency training programs in family practice, faculty development and predoctoral training in family medicine. The funds authorized by Section 786 have been used to establish new and to maintain and improve existing family practice residency programs. These residency programs teach comprehensive, preventive care in ambulatory settings. The current appropriation for Section 786 is $36 million, with $2 million allocated to general dentistry programs. Funding for Section 786 supports 189 graduate projects, 62 predoctoral projects and 35 faculty development projects, for a total of 287. We believe that it is evident that a relatively small amount of federal dollars is having a significant impact on family practice education in the United States and that this is benefiting patients throughout the country.

The AAFP notes that family practice residency programs fulfill an essential societal need by producing well-qualified family physicians able to provide cost-effective, comprehensive and continual care to all members of the family regardless of age, sex, medical problem or organ system involved. Data clearly show that graduates of family practice residency programs are locating their practices in rural as well as urban underserved areas. Approximately 50% of family practice graduates enter practice in communities with populations of 25,000 or less and over half of these are located in areas not within 25 miles of a large city. This compares with approximately 11% of physicians in other specialties who enter practice in a non-metropolitan area. A survey in July 1983 shows that less than 2% of family practice residency graduates report that they plan to take further specialty training. Family practice residency graduates stay in family practice. We believe that the country continues to need well qualified family physicians who provide cost-effective, preventive care in an ambulatory setting.

For the past decade, Congress has targeted family practice for financial support. Governmental support for family practice programs over the past decade is largely responsible for the development and growth of the specialty. And such governmental support is essential to maintain the progress that has been made in this discipline. Without direct federal support many of these family practice residencies simply will not survive.

The continued need for federal support for family practice training programs stems from several factors. In past testimony before this subcommittee, the American Academy of Family Physicians has described that federal funding is uniquely vital to the operation of family practice programs because the residencies are themselves unique. They do not fit the traditional graduate medical education mold and, as such, cannot live up to what one independent study from the University of Missouri at Columbia called the "unspoken expectation...that primary care education, in common with other graduate medical education, ultimately must be supported largely from patient care income." The study, "Patient Care Income and the Financing of Residency Education in Family Medicine," documents what family medicine educators have been facing; uncontrollable factors keep costs high and patient care income low. It notes that while traditional theory holds that approximately one-half of graduate medical education programs' costs should be recoverable through income from patient care services, reality shows that this is an unrealistic expectation for family practice. Studies done by both the Health Planning Resource Center at the University of Wyoming and the University of Missouri at Columbia estimate that the average family practice residency generates approximately 20% to 30% of total program costs through patient care revenues.

One of the reasons that family practice income is low is due to Medicare reimbursement policies and other reimbursement policies that are frequently modeled after Medicare. Third-party reimbursement falls short as a financial foundation for family practice training because such coverage has a bias toward inpatient care. Those skills and procedures which are taught to family practice residents, and which emphasize ambulatory care and disease prevention, contribute to better health and more cost-effective health care, but do not generate patient care revenue sufficient to underwrite graduate training in family medicine. In response to a provision in last year's Deficit Reduction Act, the Office of Technology Assessment is currently studying several issues surrounding Medicare payment to physicians, including the differential in Medicare payment for cognitive services as compared to procedural services. It is hoped that the findings of the OTA study will provide the impetus for a resolution in the inequities that exist between reimbursement levels for procedural versus cognitive services. Such changes in the Medicare payment system would be beneficial in assisting family practice residency programs to generate a greater percentage of revenues from patient care income. However, it is not known at this time if these unique residency programs, with their emphasis on ambulatory care, can ever compete financially with inpatient-based residency programs and reach a point where targeted federal assistance is no longer necessary.

This brings me to the discussion of Medicare financing of graduate medical education. The AAFP is deeply concerned about proposals by the Administration and by the Senate Budget Committee which would freeze the direct medical education payments and reduce by 50% the indirect adjustment. As resources of teaching hospitals become more scarce, the potential for the elimination of family practice and other primary care training programs increases. Specifically targeting the Medicare medical education payments poses an additional burden for these programs. While graduate medical education programs greatly enhance the quality of care in teaching hospitals, they add significant costs. Major reductions in the indirect medical education payments coupled with a freeze in the direct medical education payments will force most teaching hospitals to reassess their commitments to graduate medical education. As hospitals reassess these commitments they can be expected to maintain those programs which generate the most revenue and to reduce or eliminate those programs which tend to be the financial loss leaders. This will be particularly true for those hospitals which are being increasingly squeezed financially by the DRG system. Family practice and other primary care programs will not fare well. These programs emphasize ambulatory services and cost-containment and simply do not generate adequate income in the current reimbursement system to be financially attractive to teaching hospitals. Hospitals, facing budget constraints, will have few incentives to retain family practice and other primary care programs. In 1984, over a dozen hospitals indicated their decisions to eliminate their family practice residency programs. Financial uncertainties in funding graduate medical education have contributed in a major way to these decisions.

Last October, the American Academy of Family Physicians, concerned about potential cutbacks in federal funds for training programs in family medicine, mailed a brief questionnaire to 383 directors of family practice residency programs to garner some idea of the potential effect of withdrawal of these funds. A total of 335, or 87.5%, of the program directors responded, with 51% indicating that their programs receive federal support (184 programs) either directly or indirectly through a medical school or other source. Among these programs receiving federal support 59% of the program directors indicated that elimination of funds would cause a reduction in the number of faculty and support staff; 48 percent indicated that there would be a reduction in the elements of the curriculum, and 24 percent indicated that a reduction in the number of residents would result. While this information is, by its nature, subjective, we believe it is indicative of the potentially serious impact of the withdrawal of federal funds from family practice training programs. We would specifically emphasize that elimination of the Public Health Service training grants would seriously disrupt family practice training programs. those programs which Congress has for the past several years targeted for special support because of their particular financial difficulties.

The Administration cites as its rationale for eliminating funding for family practice and other training programs the steadily increasing supply of physicians, noting the conclusions of the Graduate Medical Education National Advisory Committee. however, the GMENAC Report projections of a near balance of family physicians in the year 1990 was based on the assumption that family physicians would continued to be trained at the rates during the time the GMENAC Report was prepared. Elimination of or a significant decrease in federal support to these training programs would result in less family physicians being trained. The supply of family physicians will not keep pace with demand in this situation and for this reason we do not believe that the Administration's argument is valid.

The American Academy of Family Physicians is well aware of and sympathetic to the economic constraints which will influence the decisions in this subcommittee in making appropriations of federal funds. We believe, however, that these critical times make it more imperative than ever that federal funds are expended in such a way as to do the most good for the greatest number of people.

The impact of eliminating funding for family practice training programs, as proposed by the Administration, will be a significant decrease in these programs, a result which is not consistent with sound health policy. With respect to funding for family practice education, the AAFP sincerely believes that the funds expended to date have resulted in improved access to high quality, comprehensive medical care. We therefore request that the Fiscal Year 1986 appropriations for Sections 780 and 786 be increased slightly from the current appropriations of $7.5 million and $36 million respectively. We believe that these requests are consistent with the Congressional effort to restrain spending for discretionary health programs, yet are cognizant of the need for continued federal support of family practice training. We appreciate your sensitivity to these concerns and thank you for the opportunity to participate in this important hearing.

Senator Inouye. Although members of the committee are not here, I can assure you that most members do read testimony that is presented.

With that in mind, because none of us are experts, please define family medicine.

Dr. Bowman. We have a more complicated definition, but I will tell you that it is a physician who provides care on a first-come-first-served basis to individuals and families regardless of their sex or age. We provide comprehensive services in a first contact basis.

Senator Inouye. What is the difference between family practice and the general practitioner, the GP?

Dr. Bowman. The general practitioner, or the GP, as the term is commonly used, refers to individuals essentially prior to the development of the field of family medicine or family practice in 1969, they had a different type of training.

Currently, family physicians are trained with 3 years of medical education, and are trained specifically in cost-effective, comprehensive care, with heavy emphasis on ambulatory service, prevention, and taking the individual in context of the family and the social environment.

Senator Inouye. You just hit the key word, prevention, because we are so concerned. I think we spend about 50 cents per capita on prevention, and $1,440 on cure. Thank you very much.

Dr. Bowman. Thank you.

## STATEMENT OF ROBERT CAPONE, EXECUTIVE DIRECTOR, AMERICAN ASSOCIATION OF COLLEGES OF PODIATRIC MEDICINE

Senator Inouye. Our next witness is Mr. Robert Capone, executive director of the American Association of Colleges of Podiatric Medicine.

Please proceed.

Mr. Capone. Thank you very much, Mr. Chairman.

I am here on behalf of the American Association of Podiatric Medicine, a nonprofit educational association representing the Nation's six colleges of podiatric medicine and their more than 2,600 students.

As you know, Mr. Chairman, podiatric medicine is the medical specialty which focuses on the prevention, diagnosis and treatment of disorders affecting the human foot. Foot problems are oftentimes a signal for other serious conditions elsewhere in the body, including diabetes, respiratory, peripheral vascular disease, arthritis, and musculoskeletal disorders.

According to the National Center for Health Statistics, one-fourth of all nursing home residents cannot walk as a result of foot ailments. Given the demographic projections for the next several decades, we can expect a tremendous increase in the incidence of foot problems in this country.

The question then becomes: What are we doing to meet the challenge? For our part, the colleges of podiatric medicine are continuing to prepare students to enter the profession. Over the past two decades, the number of podiatric medical school graduates has steadily increased. In fact, first year enrollments have gone up by more than four-fifths over the last 13 years.

During the same period, minority enrollments have risen sixfold.

However, despite that steady progress, this country is still confronted with a tremendous shortage of podiatrists. Today, Mr. Chairman, there are 9,000 practicing podiatrists in this country, 1 for every 27,000 Americans. Clearly, a shortage this severe impacts on everyone, but the hardest hit are the elderly and those who live in underserved areas.

To make matters worse, it appears that the problem is going to remain with us for some time to come. According to the Bureau of Health Professions, by 1990, an estimated 15,500 podiatrists will be required to meet the minimum needs of the population. The Bureau predicts, however, that we will have only approximately 12,700 practicing podiatrists by that time, still about 2,800 short of the minimum national need.

Given this situation, we were disturbed to see that the President's budget would eliminate virtually all support for the very program designed to help address the current national need.

To begin with, more than 90 percent of our students receive some form of financial aid, primarily guaranteed student loans, health profession student loans, and the so-called HEAL loans. In each instance, the budget would either deny or severely limit educational opportunities to these individuals.

By restricting eligibility and by limiting the ability of student aid money, the budget would hamper access to a professional graduate education. Moreover, the effect of these new policies is to channel individuals to lower cost public institutions. That means that many individuals, particularly minorities, would be denied the opportunity to attend a college of podiatric medicine since all of the colleges are private institutions.

On another front, the budget proposes that we turn our backs on the critical need of those living in medically underserved areas. Specifically, Congress has been asked to end support for remote site training, a program designed to attract and retain podiatric practitioners in urban and rural shortage areas. This action is proposed in spite of the administration's own admissions before this subcommittee that podiatric medicine is the health profession with the worse geographic maldistribution problem.

Recommendations, for the reasons I have cited, Mr. Chairman, our association strongly urges you to reject the President's budget proposals and to provide adequate funding to support the training of podiatrists. Specifically, we are asking that funding for the Health Professions Program, including HEAL, the HPSL, and GSL loan programs, be continued and that sufficient student aid funds be available to those who wish to pursue this field of study.

Finally, we urge you to continue the support for the Remote Site Training Program at a minimum of $1 million. Continuation of this program will have a vital impact on reducing the more than 1,400 podiatric shortage areas in the United States.

### PREPARED STATEMENT

Thank you, Mr. Chairman, I will be happy to answer any questions that you may have.

[The statement follows:]

## STATEMENT OF ROBERT CAPONE

My name is Robert A. Capone and I am here on behalf of the American Association of Colleges of Podiatric Medicine.

In the way of background, let me just say that ours is a non-profit educational association representing the nation's six colleges of podiatric medicine and their more than 2,600 students. Those institutions are:

California College of Podiatric Medicine (San Francisco)
University of Osteopathic Medicine and Health Sciences (Des Moines)
Dr. William M. Scholl College of Podiatric Medicine (Chicago)
New York College of Podiatric Medicine (New York City)
Ohio College of Podiatric Medicine (Cleveland)
Pennsylvania College of Podiatric Medicine (Philadelphia)

As you know, Mr. Chairman, podiatric medicine is the medical specialty which focuses on the prevention, diagnosis and treatment of disorders affecting the human foot.

Since the beginning of this century, science and technology have combined to help us develop a far better understanding of the foot, how it works, and what can go wrong. Of course, most people take for granted just how important the feet actually are.

Science has determined, for example, that your feet absorb the impact of up to five million pounds every day, and that in the average lifetime your foot enables you to walk about

100,000 miles. Of course, all of this activity is dependent upon one relatively small area of the body, where we find 26 bones, 19 muscles, and 107 ligaments.

Interesting facts perhaps, but we still pay very little attention until something goes wrong. Scientists have found that when that happens, foot problems are oftentimes a signal for other serious conditions elsewhere in the body--including diabetes, respiratory and peripheral-vascular disease, arthritis, and musculoskeletal disorders.

If that is not enough reason to take notice, consider the fact that the fastest growing segment of our population--the elderly--are in the highest risk category. As a matter of fact, about 95 percent of individuals age 65 and over suffer from painful, often debilitating foot ailments. According to the National Center for Health Statistics, one fourth of all nursing home residents cannot walk as a result of such ailments. Given the demographic projections for the next several decades, we can expect a tremendous increase in the incidence of foot problems in this country.

The question then becomes, just what are we doing to meet the challenge?

For our part, the colleges of podiatric medicine are continuing to prepare students to enter the profession. Over the past two decades the number of podiatric medical school graduates has steadily increased; in fact, first-year enrollments have gone up by more than four-fifths over the last 13 years. During the same period, minority enrollments have risen six-fold.

However, despite that steady progress this country is still confronted with a tremendous shortage of podiatrists. Today, Mr. Chairman, there are 9,000 practicing podiatrists in the U.S.--one for every 27,000 Americans.

Clearly, a shortage this severe impacts on everyone, but the hardest-hit are the elderly and those who live in underserved urban and rural areas. For many of these individuals, the shortage means that they will be forced to postpone or forgo treatment altogether, only to face more serious and often more expensive health problems in the future.

To make matters worse, it appears that the problem is going to remain with us for some time to come. According to the Bureau of Health Professions, by 1990 an estimated 15,500 podiatrists will be required to meet the minimum needs of the population. The Bureau predicts, however, that we will have only 12,700 practicing podiatrists by that time, still about 2,800 short of the minimum national need.

Given this situation, we were disturbed to see that the President's budget would eliminate virtually all support for the very programs designed to help address the current national need.

To begin with, more than 90 percent of our students receive some form of financial aid, primarily Guaranteed Student Loans, Health Professions Student Loans, and the so-called HEAL loans. In each instance, the budget would either deny or severely limit educational opportunities to individuals.

Mr. Chairman, over the years this subcommittee has played an integral part in building the foundation for higher education in this country--with the underlying objective being to permit all qualified persons an opportunity to pursue a higher education.

By restricting eligibility and by limiting the availability of student aid monies, the budget would hamper access to a professional graduate education. Moreover, the effect of these new policies is to channel individuals to lower-cost, public institutions. That means many individuals--particularly minorities--would be denied the opportunity to attend a college of podiatric medicine, since the fixed existing colleges are private institutions.

On another front, the budget proposes that we turn our backs on the critical needs of those living in medically underserved areas. Specifically, Congress has been asked to end support for Remote Site Training, a program designed to attract and retain podiatric practitioners in urban and rural shortage areas.

This action is proposed in spite of the Administration's own admissions before this subcommittee that podiatric medicine is "the (health) profession with the worst geographic maldistribution problem".

Recommendations

For the reasons I have cited, Mr. Chairman, our Association strongly urges you to reject the President's budget proposals and to provide adequate funding to support the training of podiatrists. Specifically, we are asking that funding for the health professions programs, including the HEAL, HPSL, and GSL loan programs, be continued and that sufficient student aid funds be available to those who wish to pursue this field of study.

Finally, we urge you to continue your support for the Remote Site Training program at a minimum of one million dollars. Continuation of this program will have a vital impact on reducing the more than 1,400 podiatric shortage areas in the United States.

Thank you, Mr. Chairman.

Senator INOUYE. For as long as I can recall, by the time I was a young child, I have been troubled with ingrown toenails and many years ago, I had an orthopaedic surgeon take care of it, but nothing happened. Recently, I had a podiatrist work on it, and I think we have a final cure. So you have a friend here.

Since then I have been checking on the matter of podiatrists, and to my shock and dismay, in NATO, our U.S. Army has two podiatrists. There is a common saying that the Army walks, and you would think that you would have a few dozen, but that is all we have.

I am in the process of doing my best to upgrade the podiatric services of the U.S. Defense Department, and I am going to do what I can to assist you.

Mr. CAPONE. Thank you, and I commend you for your efforts.

Senator INOUYE. For some strange reason, there are more podiatrists assigned to the U.S. Air Force than to the U.S. Army. We have more Army foot soldiers than airmen. Don't ask me to explain to you why, but that is the situation, people who fly have foot problems that people who walk don't have.

Mr. CAPONE. Those are interesting figures.

Senator INOUYE. Thank you very much.

## STATEMENT F. LYNN MAY, EXECUTIVE DIRECTOR, AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS

Senator INOUYE. Our next witness is the executive director of the American Academy of Physician Assistants, Mr. F. Lynn May.

Mr. MAY. Thank you, Mr. Chairman. It is good to be here. On behalf of the 18,000 physician assistants in this country, we are very glad to have the opportunity to participate in this hearing.

I am here to seek your support, as are others, to redress the effort to eliminate Federal funding of all of our health programs, but I am concerned mostly with the physician assistant programs.

My members are very concerned and support efforts to try to control the budget deficit problem, but we would be more than happy to accept a freeze on the payments to physician assistant programs at the level that they have been at for many years of $4.8 million.

We feel that this money is very essential to maintain the existence of the 36 programs that currently, to a greater or lesser degree, depend on Federal funding. We are most concerned that if Federal funding is eliminated entirely, we are going to see a drop in minority and disadvantaged people coming into the profession, becoming physician assistants. We have seen a decline in this already. We have some modest scholarship programs to try to deal with it, but we are afraid that if the Federal funding goes completely, we are going to see very few minorities go into the program.

For those of you who don't know what PA's are, what physician assistants are, they work under the supervision of physicians. Do approximately 70 to 80 percent of the functions of primary care physicians. They will take physicals. They will do physician workups, prescribe, and perform treatment. They will do patient counseling and education. Many of them serve as assistant in surgery itself.

They work in a variety of settings. They work in doctor's offices, hospitals, HMO's, clinics, and a variety of places.

The administration has claimed in its veto message that allied health training is no longer necessary because there is a surplus of physicians coming into the ranks of the profession, and perhaps we don't need these other kinds of practitioners. I am telling you that physicians tend not to work in nursing homes. They tend not to work in facilities for the mentally ill, the mentally retarded, prisons, or jails, and those areas that physician assistants do work in.

We have a prior record of service in underserved areas, such as rural areas, and also in inner-city clinics. Just one statistic, approximately 14 percent of all physicians work outside of metropolitan areas, and that is an area where one-quarter of our population, fully one-third of our members, physician assistants, work in those areas.

They do serve the underserved, and that is the reason that they were created for, and they have fulfilled it. But I don't want to give you the idea that they are strictly physician employees, which they are, but many of them have risen to great height. I know people who have worked at the Burn Center at Yale University. One of our members is an active member of the team of heart unit at Humana Hospital. Two PA's currently work at the White House, and they have worked there since the Carter administration.

Physician assistants are a quiet profession, perhaps, but one that has really taken on responsibility in this country, and I think they deserve the support of the Federal Government until such time as it is no longer necessary. In terms of the minority population, I think it is a continuing necessity.

One issue, just briefly, that I would like to bring to your attention. PA's play a very active role in the Armed Forces, and also the Public

Health Service. They are commissioned in the U.S. Air Force, and they have a fairly good situation in the Army, but we have run across the very unsettling situation in the Navy where the current Surgeon General is moving to reduce the number of PA's coming into the Navy, or eliminate them completely. We think that that is unfortunate because they have a good record in the Navy. I am not sure, along with the argument that I made before, that physicians necessarily can be brought in to do the same things that PA's are doing.

I really appreciate the opportunity to speak to you today, sir.

Senator INOUYE. I think most of our members will concur with you because we feel that one of the most cost-effective ways of delivering health services would be full and effective utilization of nurses and PA's. I don't think that these two professions have been utilized in a proper fashion.

The Navy situation, we will look into that also.

Mr. MAY. I understand that, and I appreciate that very much.

PREPARED STATEMENT

Senator INOUYE. Thank you very much. Your statement will be placed in the record.

Mr. MAY. Thank you.

[The statement follows:]

## Statement of F. Lynn May

Mr. Chairman, I am Lynn May, Executive Director of the American Academy of Physician Assistants, the professional society for physician assistants. On behalf of the nation's 18,000 PAs, I want to thank you for this opportunity to testify.

This past October, President Reagan vetoed the Public Health Service Act Amendments of 1984. This bill contained provisions extending much needed federal support for health professions personnel. In addition, in the budget submitted this past January by the President, it was recommended that no funds be provided for health professions education.

In understanding the Academy's concern over the Administration's decision to seek zero funding for Physician Assistant training, it is important that you realize just how much money it is we are talking about. Last year, Congress appropriated $4.8 million dollars for Physician Assistant training. Hardly a sum anyone could call budget busting.

But while the amount may not be large when compared to the size of the federal budget, it is very important to those 36 PA training programs that were the beneficiaries of those funds. For that relatively small investment, Mr. Chairman, we produced several hundred well-trained health care professionals who will make health care a little more accessible, a little more affordable to thousands of Americans.

The Academy is genuinely concerned that if Congress does not act to restore funds for health professions education, the long-range impact on health care in this country will be devastating.

As you will recall, in previous years the American Academy of Physician Assistants has expressed its concern that inadequate funding for PA training programs would result in significant tuition increases. Despite the efforts of this Subcommittee, the tuition increases occurred and serve as a barrier to many low-income individuals wanting to attend physician assistant training programs.

But elimination of all funds as the President proposes, would mean more than just tuition increases -- it would mean the end of several PA programs!

This Subcommittee can be sure that there will be a price to pay if health professions training programs begin to close. It will be paid for in the form of decreased access to quality health care by rural and inner city residents. And, it will be paid for by thousands of young men and women who will be denied the opportunity to pursue careers in any number of health professions.

Mr. Chairman, health care in this country is built upon a Triple-A foundation:

Accessibility
Affordability
A-One Quality

This is something the health care consumer has learned to depend upon and something health care providers have strived to maintain.

One of the reasons we have been able to meet the demand for Triple-A health care is because of an adequate supply of well-trained health care providers.

If we start to dismantle those programs which have given us the best trained medical personnel in the world, then we begin to chip away at the Triple-A foundation. We begin to make health care less and less accessible. We give up a little in the quality of care and, lastly, we begin to drive up the cost of care.

I don't think this Subcommittee wants to see that happen and I don't think the President wants to see that happen.

That being the case, why then has the Administration proposed the elimination of health professions training programs? I think the answer lies in mistaken assumptions.

In vetoing the Public Health Service Act Amendments of 1984, President Reagan cited the often heard statement that there will be an oversupply of physicians in the near future and thus we no longer need to continue those programs geared towards promoting these professions.

While the Academy does not quarrel with the projections in absolute terms, we do take issue with the assumptions that are being drawn from these projections.

For instance, Mr. Chairman, just because there may be an oversupply in numbers does not mean that the rural areas of this country and the inner cities will not continue to experience severe shortages of medical personnel.

Just because there will be an oversupply in the number of physicians is no guarantee that we will see a shifting of doctors into settings they have traditionally ignored, namely:

Prisons

Nursing Homes

Institutions for Chronically, Physically
and Mentally Ill patients

I would also point out, Mr. Chairman, that this is not just the opinion of the Academy, but it is also the considered opinion of the Senate Labor and Human Resources Committee. In the Report accompanying the Health Professions Training Assistance Act of 1984, the Committee stated,

> "The fact that overall physician supply is increasing does not mean that enough physicians will choose to practice in primary care specialties."

Let us look at some recent statistics which help to illustrate this point.

Only 14% of all physicians practicing in the United States are located outside of Standard Metropolitan Statistical Areas (SMSA). This, despite the fact that 27% of the general population is located in such areas. By contrast, 32% of all physician assistants have located in non-SMSA areas.

Physician assistants have a proud tradition of establishing practices in areas of medical shortages. Indeed, one of the very reasons for the creation of the profession was the desire to increase access to health care by persons living in medically underserved areas.

But lest anyone get the idea that physician assistants can only be found in a rural clinic or inner city ghetto, let me give you a few examples of how the PA community has become fully integrated into the health care provider profession.

A great deal of media attention has been focused on the recent series of heart transplants being performed at Humana Hospital in Louisville, Kentucky. One of the members of the surgical team performing those delicate operations is a physician assistant by the name of Brent Mays. Mr. Mays is the Assistant Technical Director of the Artificial Heart Program and Organ Procurement Coordinator at the Humana Heart Institute International.

A bit closer to Washington, the Subcommittee might be interested to know that there are presently two physician assistants serving on the White House medical team. In fact, there has been at least one PA serving at the White House since the early days of the Carter Administration.

Twenty years ago, the first class of physician assistants was just starting their training at Duke University. Today, physician assistants are integral members of the medical team and have made great strides in keeping the quality of health care high and the cost of health care low.

To suddenly put an end to these programs would be shortsighted. We are entering a critical period in health care delivery in this country and I would hate to see us discontinue those programs which have served us so well.

Like most other health care providers, we would like to see the Congress appropriate additional funds, but we realize that the pie is only so large. Physician assistants, like most other Americans, recognize the need to reduce the size of the federal budget and we are willing to do our part.

In recognition of the need to control spending, we have not come before the Subcommittee to ask for more money. We believe we can live for another year with level funding. In other words, we would support a one year freeze in spending for physician assistant educational assistance.

This will mean some hardship, Mr. Chairman. As in the past, it may mean additional tuition increases for students. But an increase in tuition is better than a discontinuation of programs -- which is clearly what will happen if the President's proposal is not rejected.

## STATEMENT OF EUGENE S. MAYER, M.D., ASSOCIATE DEAN AND DIRECTOR, NATIONAL AREA HEALTH EDUCATION CENTERS PROGRAM

Senator INOUYE. Our next witness is Dr. Eugene Mayer, associate dean and director of National Area Health Education Centers Program. Welcome, Doctor.

Dr. MAYER. Thank you, Senator.

I am Dr. Eugene Mayer, associate dean of the school of medicine of the University of North Carolina at Chapel Hill, and director of the North Carolina Health Education Centers Program, or AHEC, as we call it.

I am here on behalf of the 22 AHEC projects around the country currently receiving Federal AHEC funding. In previous testimony before the Congress, we have described the accomplishments of this program, and we are appreciative that the Congress has continued to support the program on its merits.

Since 1972, 27 projects have been funded serving 30 States in which regional education centers called AHEC's have been created in 86 underserved areas. We believe that our request for reappropriation is supported by our record of accomplishments and by the continuing need for the services of the program in the underserved communities of this country.

Although there is growing concern for a potential oversupply of physicians, there continues to be widespread recognition of the need to improve the distribution of primary care physicians and other health care personnel in rural and inner-city areas. It is precisely this problem of maldistribution which the national AHEC Program is addressing.

The AHEC Program serves as a bridge between the university medical center and our underserved communities through newly created regional education and training centers called AHEC, which are located in close proximity to the underserved regions, if you will, as an off-campus medical center for all health professions.

The program has served to lessen the "Ivory Tower" image of medical schools, and to make rural and inner-city areas professionally less isolated and more able to recruit and retain physicians, nurses, and allied health personnel. In addition, the presence of regional educational programs makes it more likely that physicians and other practitioners will be kept up to date with new knowledge and techniques.

Finally, in many parts of the country, the program has helped recruit minority practitioners to underserved areas.

Importantly, the program has captured the interest and support of State legislatures, community hospitals, and community agencies so as to provide for the continuation of the program in many parts of the country beyond the period of Federal funding.

We estimate that in addition to this year's Federal appropriation of $18 million, the States and localities are providing well over $100 million in support of AHEC programs in response to the Federal catalyst. In my State of North Carolina, we have a Federal AHEC budget of about $120,000, but we also now have the State AHEC appropriation of

$23 million annually and local AHEC support of about $11 million. This pattern is developing in California, Colorado, Maryland, Ohio, South Carolina, Massachusetts, and elsewhere and demonstrates well the catalytic effect of Federal funds. In fact, it also demonstrates the importance of the Federal AHEC initiative to our underserved communities.

We are also pleased that the AHEC's have been able to adapt programming to meet changing community needs. In addition to our traditional activities in bringing medical, nursing, allied health, and other health professions education to the community, we are making major efforts to develop educational programs in community settings in the area of aging, health promotion, disease prevention, health services management, cost containment, and mental health.

Most importantly, the AHEC's enjoy the support of community practitioners. For example, in North Carolina, fully 25 percent of all private physicians teach medical students and/or residents in the community in association with the AHEC Program. In view of your interest in the Army, I must also say that includes the physicians and nurses at Fort Bragg and at Camp Lejeune where we have active relationship.

Senator INOUYE. Are these volunteers?

Dr. MAYER. These are volunteers.

In considering reappropriation, we respectfully ask that the subcommittee review the strong endorsements of the National AHEC Program that have come from several national studies. These include the report of the National Accounting Office, the survey and investigations staff of the Appropriations Committee of the House, the two reports of the Carnegie Council, the report to the Congress of the Secretary of HHS, and the 1980 report of the Graduate Medical Education Advisory Committee, which while identifying physician surpluses as a potential problem, gave strong support for the continuation of programs such as AHEC in order to improve the geographic distribution of primary care practitioners.

In conclusion, Mr. Chairman, we believe that the excellent long-range planning of the Federal AHEC staff at the Health Resources and Services Administration make it possible for the National AHEC Program to continue to do an effective job for the coming year, with a continuation of the program's appropriation at the level of this year's appropriation of $18 million. For the coming fiscal year, an appropriation of that amount is adequate to fund the new AHEC projects, the continuation of projects, and the special initiative authority.

We thank you for the opportunity to appear here, and we have some additional materials to submit for the record.

Senator INOUYE. If this program is terminated, what effect would it have on your legislature and its financial support?

Dr. MAYER. I believe that in our case, in our State, the legislature is so solidly behind the program that we would probably not be affected. I do believe that two things would happen, however, nationally, because some of the States are at a fragile point, and California is a good example, Massachusetts, and Ohio, where the programs at the point of negotiating and working out extended relationships with their legislatures, I believe that termination of the program at this time, although I am not from those States, would have a catastrophic effect on those legislatures at this point continuing to build up the appropriations that they are anticipating.

Senator INOUYE. It is your view that this is a very cost-effective manner of delivering health services.

Dr. MAYER. It adds to the cost of education to take education off campus, but we believe that it is cost effective in the sense that without it, universities would retrench to being "Ivory Towers," medical schools in particular, one of which I represent. The goal is to have the educational process closer to the small towns and the inner cities, but it is an added cost. We believe that it is cost effective, but clearly there is an added cost.

PREPARED STATEMENTS

Senator INOUYE. Thank you very much. Your statement will be included in the record at this point along with other statements for the record on appropriations for the Health Resources and Services Administration.

[The statements follow:]

## STATEMENT OF DR. EUGENE S. MAYER

I am Dr. Eugene Mayer, Associate Dean of the School of Medicine of the University of North Carolina at Chapel Hill and Director of the North Carolina Area Health Education Centers Program, or AHEC, as we call it. I am here on behalf of the 22 AHEC projects around the country currently receiving federal AHEC funding through the Health Resources and Services Administration. In previous testimony before The Congress we have described the accomplishments of the National AHEC Program and are appreciative of the fact that The Congress has examined these activities and has continued to support the Program on its merits.

The National AHEC Program originally developed out of the Comprehensive Health Manpower Training Act of 1971 and is currently authorized under Title 7, Section 781 of the Public Health Service Act. Since 1972, 27 projects have been funded serving 30 states in which 86 AHECs have been created. We believe our request for reappropriation is supported by the record of accomplishments of the Program and by the continuing need for its services in the underserved communities of our nation.

Although there is growing concern for a potential oversupply of physicians, there continues to be widespread recognition of the need to improve the distribution of primary care physicians and other health personnel in rural and inner city areas. It is precisely this problem which the National AHEC Program is addressing and which it will continue to address if an appropriation is forthcoming.

The AHEC Program serves as a bridge between the University Medical Center and our underserved communities through newly created regional education and training centers called AHECs that are located in close proximity to underserved regions. The Program has served to lessen the "Ivory Tower" image of medical schools and to make rural and inner city areas professionally less isolated and more able to recruit and retain physicians, nurses, allied health personnel and other health manpower. In addition, the presence of educational programs in the regional centers and through them in our smaller communities makes it more likely that physicians and other practitioners will be kept up to date with new knowledge and techniques. Finally, the Program has helped recruit minority practitioners to underserved areas.

Importantly, the Program has captured the interest and support of state legislatures, community hospitals, and community agencies so as to provide for the continuation of projects in many parts of the country, beyond the period of federal funding. We estimate that in addition to this year's federal appropriation of $18 million, states and localties are providing well over $100 million in support of AHEC projects. In my own state of North Carolina, we have a federal AHEC budget of about $120,000, but we also now have a state AHEC appropriation of $23 million and local AHEC support of about $11 million. This pattern is developing in California, Colorado, Maryland, Ohio, South Carolina, Massachusetts, and elsewhere and demonstrates well the catalytic effect of federal funds. In fact, it also demonstrates the importance of the Federal AHEC initiative to our underserved communities.

Despite our accomplishments in helping to overcome geographic maldistribution of physicians and other health practitioners, our rural and inner city areas continue to need the special attention that AHECs can provide if we are now to retain practitioners while continuing to recruit new ones to underserved areas.

We also are pleased that the AHECs have been able to adapt programming to meet changing community needs. In addition to our traditional activities in bringing medical, nursing, allied health, and other health professions education to the community, we are making major efforts to develop educational programs in community settings in the areas of aging, health promotion/disease prevention, health services management, cost containment, and mental health.

Most importantly, the AHECs enjoy the support of community practitioners. For example, in North Carolina, fully 25 percent of all private physicians teach medical students and/or residents in the community in association with the AHEC Program.

In considering reappropriation for the AHEC Program, we respectfully ask that the Subcommittee review the strong endorsements of the National AHEC Program that have come from several national studies.

These include:

1. 1978 Report of the U. S. Government Accounting Office
2. 1978 Report of the Survey and Investigations Staff of the Appropriations Committee of the U.S. House of Representatives
3. 1976 and 1979 Reports of the Carnegie Council
4. 1980 Report to The Congress by the Secretary of the Department of Health, Education, and Welfare
5. 1980 Report of the Graduate Medical Education Advisory Committee which issued the famous GMENAC Report which advised continuation of programs such as AHEC in order to improve further the geographic distribution of primary care physicians.

In conclusion, Mr. Chairman, we believe that the excellent long range planning of the federal AHEC staff makes it possible for the National AHEC Program to continue to do an effective job for the coming year with a continuation of the Program's appropriation at the level of this year's appropriation of $18 million. For the upcoming fiscal year an appropriation of this amount is adequate to fund the new AHEC projects, the continuation projects, and the special initiative authority.

Again, Mr. Chairman, thank you for the opportunity to appear. I do have additional materials to submit for the record.

## The National Area Health Education Centers Program

"AHEC"

March 29, 1985

Authority: Public Law 94-484: "The Health Professions Educational Assistance Act of 1976" (Secs. 781 and 802)

### A. Program Description

The AHEC Program was created by The Congress as one method for improving the geographic distribution of physicians and other health personnel in rural areas and inner city areas. As of October 1, 1984 there are 27 projects of which 10 were originally funded in 1972 under authority of Public Law 92-157: "The Comprehensive Health Manpower Training Act of 1981." The remaining 17 projects were funded in various years beginning in 1977.

Several studies have given a clear indication of the success of the National AHEC Program in helping to overcome problems of geographic and specialty maldistribution of physicians.

These studies include:

1. 1978 Report of the U.S. Government Accounting Office

   By the Comptroller General, Report to the Congress of the United States, Progress and Problems in Improving the Availability of Primary Care Providers in Underserved Areas, HRD-77, August 22, 1978.

2. 1978 Report of the U.S. House of Representatives Appropriations Subcommittee on Health

   A Report to the Committee on Appropriations in the U.S. House of Representatives on Area Health Education Centers Programs addressed by the Department of Health, Education and Welfare by the Survey and Investigations Staff, February 24, 1978.

3. 1976 and 1979 Reports of the Carnegie Council

   1) Progress and Problems in Medical and Dental Education, Federal Support Versus Federal Control, A Report of the Carnegie Council on Policy Studies in Higher Education, Jossey-Bass Publishers, San Francisco, CA, 1976.

   2) Area Health Education Centers, The Pioneering Years, 1972-1978, A Technical Report for the Carnegie Council on Policy Studies in Higher Education, Charles E. Odegaard, 1979.

4. 1980 Report to The Congress by the Secretary of the Department of Health, Education, and Welfare

   An Assessment of the National Area Health Education Centers Program, November 9, 1979, DHEW Publication No. (HRA) 80-33.

5. 1980 Report of the Graduate Medical Education Advisory Committee (GMENAC)

   --although this Report concludes that there will be an aggregate surplus in the number of physicians by the year 1990 or 2000, it also concludes that geographic maldistribution of physicians continued to be a serious problem and indicates that the AHEC Program is one of the initiatives designed to help overcome this problem.

The National AHEC Program is funded out of the Division of Medicine of the Bureau of Health Professions of the Health Resources Administration of the Department of Health and Human Services. Since October, 1972 The Congress has appropriated $227 million for the National AHEC program.

The National AHEC Program is characterized in the following manner:

1. It is a program of education and training of physicians and other health manpower based in the academic medical center. Twenty seven (27) medical schools participate in the program as major recipients. Subsequent subcontracts serve to involve fully one third of the nation's medical schools in the National AHEC Program.

2. It is designed to bring the education and training of health manpower to underserved communities via the development of new regional training centers (usually community hospitals or community health centers) that assume responsibility for helping to meet the health manpower development needs of a defined number of rural counties or inner city neighborhoods. Today the 27 AHEC projects account for 86 regional centers called AHECs.

3. It has had a measurable and significant impact on the geographic and specialty maldistribution of physicians and other health manpower in underserved areas.

In addition, the National AHEC Program demonstrates the following important characteristics:

1. It is based on incentives and voluntarism.

2. It reflects an approach whereby federal funds are provided to states and regions to develop manpower programs that meet local and regional needs in the context of national goals.

3. It demonstrates that most projects have been able to use federal AHEC funds to catalyze state, local and other funds which have assured that most of the AHEC projects funded in part by the federal government in 1972 will survive--in whole or in part--following the cessation of federal funds.

   --as noted, since 1972 The Congress has appropriated $227 million for the National AHEC Program. In that period of time over $300 million of state, local and other funds have also been catalyzed by this federal investment.

4. It demonstrates the fact that the federal government can catalyze regional activities which meet unique local circumstances. This federal approach has been critical to the success of the Program, especially for the projects originally funded in 1972.

As noted, the National AHEC Program has had a measurable and significant impact on the distribution of physicians and health manpower. This is particularly true the longer the projects have been in existence. All AHEC projects were asked to provide a brief description of goals and accomplishments. Several AHEC projects were unable to respond to this request within the short time frame set by the project Directors. The brief descriptions of the AHEC projects presented in section C. cannot do justice to the wide range of activities and accomplishments of the National AHEC Program. For a more complete discussion, the reader is referred to section D., beginning on page 15, which includes program accomplishments and prospects for future funding. The projects in the National AHEC Program are presented according to date of their initial federal funding.

B. Projects in the National AHEC Program

LOCATION OF AHEC PROJECTS

FIRST GENERATION (PL 92-157)

(initial federal funding in 1972)

California (Central San Joaquin Valley):
    University of California, San Francisco
    University of California, Los Angeles
Illinois: University of Illinois
Maine: Tufts University
Minnesota: University of Minnesota
Missouri: University of Missouri-Kansas City
New Mexico: University of New Mexico
North Carolina: University of North Carolina at Chapel Hill
North Dakota: University of North Dakota
South Carolina: Medical University of South Carolina
Texas: University of Texas Medical Branch
West Virginia: West Virginia University

SECOND GENERATION (PL 94-484)

(initial federal funding in 1977)

Colorado: University of Colorado
Maryland: University of Maryland
Pittsburgh, Pennsylvania: University of Pittsburgh
Washington, D. C.: Howard University

(initial federal funding in 1978)

Connecticut: University of Connecticut
Massachusetts (statewide): University of Massachusetts
New Jersey: University of Medicine and Dentistry of New Jersey
Ohio (statewide):
    Medical College of Ohio
    Case Western Reserve University
    Northeastern Ohio Universities College of Medicine
    Wright State University
    Ohio State University
    Ohio University
    University of Cincinnati
South Dakota: University of South Dakota

(initial federal funding in 1979)

California (statewide):
    University of California, Davis
    University of California, San Francisco
    University of California, Irvine
    University of California, Los Angeles
    University of Southern California
    Stanford University
    Loma Linda University
Kansas: University of Kansas
Eastern Virginia: Eastern Virginia Medical School

(new starts: initial federal funding in 1984)

Arizona: University of Arizona
Georgia: Morehouse School of Medicine
Michigan: Michigan State University, Saginaw
Oklahoma: Oklahoma College of Osteopathic Medicine and Surgery
Tennessee: Meharry Medical College
Texas: Texas Tech University

## C. Brief AHEC Project Descriptions

### CALIFORNIA

The California AHEC System is a cooperative health manpower education program involving all of the medical schools in the state, each of which sponsors one or more local AHECs in the underserved communities of the state. This statewide program began in 1979 following a highly successful model AHEC program which was developed in 1972 in the central San Joaquin Valley under the sponsorship of the University of California, San Francisco and University of California, Los Angeles schools of medicine.

Examples of achievements of the regional AHEC in the Fresno/central San Joaquin Valley area which have received formal evaluation include documented improvement in physician supply and distribution as well as enhanced overall quality of care.

Achievements of the medical schools and other health professions schools in developing decentralized teaching programs in those AHECs that came into being during the period 1979-82 include:

- Support of a total of 29 primary care residency programs (with an enrollment of 770 residents), based at 25 hospitals, which provide outreach rotations to 82 community clinics and related facilities.
- Undergraduate medical education experiences were supported in 36 community hospitals and more than 156 community clinics, NHSC sites, small clerkship sites, and the like, involving 9,502 student-weeks of clinical education. Additional programs in pharmacy, dentistry, health professions career opportunities, health education and nutrition have been developed and/or expanded.
- Fourteen AHECs conducted nursing degree education programs (for 551 students) in association with 17 community colleges and baccalaureate-level schools.
- Continuing education programs were conducted in 43 hospitals, 7 colleges, 3 clinics, and 24 other community settings for some 10,976 health professionals. In addition, 98 practicing physicians and fellows were enrolled in faculty development programs.

### NORTH CAROLINA

The North Carolina AHEC Program, established in 1972, includes network of nine Area Health Education Centers functions in partnership with four university health science centers in North Carolina.

- Community-based educational experiences for students in dentistry, medicine, public health, pharmacy, allied health, and nursing have been developed or expanded by all four university health science centers. In 1983-84 community based experiences for all health science students totaled 8290 student months; in addition, over 30% of the clinical training rotations for third and fourth year UNC-CH medical students took place in AHEC settings.
- Over 300 new primary care residency positions have been developed throughout the state, with nearly 180 in family practice.
- Community-based continuing education is accessible to health practitioners and support personnel throughout the state In 1983-84 approximately 72,800 health professionals participated in N. C. AHEC Program sponsored continuing education programs, representing 306,400 contact hours.
- A network of AHEC libraries and learning resources centers, provided learning materials and information services for over 86,000 individuals in 1983-1984.

## NORTH DAKOTA

Begun in 1972, the AHEC project was formulated to transform North Dakota's basic medical sciences program into an accredited medical school by establishing clinical training experiences within existing community hospitals and clinics of the state. Prior to the initiation of the AHEC program the state of North Dakota offered no M>D> program nor medical residency program in the primary care fields.

- As a result of the AHEC project M.D. program was established and seven residency programs were developed, with at least one residency program located in each of the 4 AHEC regions.
- As of the May 1984 Medical School commencement, 360 students had received the M.D. degree. Among these graduates 72 new physicians are already practicing medicine in North Dakota.
- Additionally, the AHEC project initiated establishment of a Masters' Degree program in Nursing, an articulated system of education among the nursing education programs and institutions in the state, and the nationally recognized telephone conferencing network of the School of Medicine.

## SOUTH CAROLINA

The South Carolina Consortium of Community Teaching Hospitals/South Carolina AHEC, one of the original eleven AHEC projects, consists of seven community based regional centers, which form a statewide network for health education for clinical training of undergraduate, graduate and continuing education for practicing health professionals.

- Extramural residency positions have increased from 69 in 1972 to 385 today.
- Senior medical student rotations to rural areas have increased from 27 student weeks in 1972 to 552 in 1984.
- There were no undergraduate extramural dental rotations in 1972, but over 300 weeks of community experience in dentistry in 1984. In addition nursing, pharmacy, and allied health graduate and undergraduate students accumulated over 90,000 hours of didactic and clinical education in AHEC sites.
- The statewide learning resource network supplies rural hospitals with modern AV materials, biomedical communications linkages, and library resources.
- Approximately 200,000 hours of continuing education were accumulated by health professionals attending AHEC sponsored programs, while the Summer Health Careers Program, designed to encourage minorities to enter health care professions, remains a national model.

## COLORADO

The SEARCH/AHEC Program specifically addressed the problems of health manpower geographic and specialty maldistribution (attracting and keeping more physicians, nurses, dentists and allied health professionals) in rural areas.

- Clinical educational experiences for students in the major health professions have been established in rural areas and Colorado's smaller cities. Student and resident rotations have increased from fewer than 50 annually before the initiation of the AHEC project to more than 500 currently.
- In addition to contact with students, the program attempts to ease the isolation of rural health practitioners by providing close, appropriate, affordable continuing education and consultation with University of Colorado faculty resources.

The four Colorado AHECs now serve more than 6000 registrants from 200 different communities each year.

## CONNECTICUT

Since its beginning in 1978, the University of Connecticut Area Health Education Center has produced major curriculum and institutional changes at the UConn Health Center. The AHEC Program has been responsible for the introduction not only of new curriculum but the change both in site and content of other planned curricula in the Schools of Medicine, Allied Health, Pharmacy, and Dentistry. In addition, the AHEC Program has facilitated the development of an Office of Minority Student Affairs at the UConn Health Center and has assisted in unique outreach programs within the community for the recently funded multi-purpose arthritis health center.

## MARYLAND

The AHEC Programs funded and administered through the Maryland State-Wide Medical Education and Training System (MSMETS) consist of the Cumberland AHEC with the goals of providing experience for professional students in medicine, nursing, pharmacy, and social work from the University of Maryland at Baltimore Campus with the particular health needs of a rural population and the Geriatric AHEC located in Baltimore City with the goal of providing students of the various professional schools an opportunity to gain experience addressing the particular health needs of the elderly. A recently completed initiative involved the use of microcomputers for the continuing education in the Cumberland region.

## MASSACHUSETTS

In Massachusetts, AHEC is involved in needs assessment, program development and evaluation. The prime contract is held at U/Mass Medical Center and it includes the participation of U/Mass Amherst, Boston University, Tufts University, University of Lowell, Southeastern Massachusetts University, and staffs and policy boards of AHECs in Pittsfield, Springfield, Boston, Lowell, Fall River/New Bedford, and Central Massachusetts.

The Massachusetts Statewide AHEC Program has concentrated its efforts on educational initiatives which will have long lasting impact on health professionals education in Massachusetts. AHEC support has made possible the implementation of a variety of preceptorships and community rotations for medical students and residents in family medicine, pediatrics and internal medicine which utilize geriatric settings, community hospitals and a network of neighborhood health centers. In addition the Massachusetts AHEC has sponsored more than 300 continuing education programs (for approximately 10,000 participants) in AHEC areas. Programs offering academic counseling and tutorial services to minority and disadvantaged middle school and high school students serve 300 students each year.

## NEW JERSEY

The New Jersey AHEC Program consists of two principle components: the University of Medicine and Dentistry of New Jersey (UMDNJ), with its cooperating and participating schools and three Area Health Education Centers (AHECs). The three AHECs encompass a region which includes the eight (8) counties of southern New Jersey.

Prior to the conception of the AHEC Program in Southern New Jersey, few continuing health educational programs existed for the great majority of health care professionals in the Southern New Jersey region. Since AHEC's inception:

- Over 300 education and training programs have been developed (two major medical schools now accept AHEC rotations into underserved rural and urban areas as part of their student curriculum.)

- 11,000 health care professionals have participated in over 52,000 hours of continuing education programs in the areas of medicine, nursing, dentistry, and allied health (with over 2000 administrators, supervisors and practitioners have attended health care management programs).

- The establishment of two dental practices in the underserved, urban poor area of Camden and the establishment of three urban family practice centers which have delivered care to 8,260 poor city residents and provided valuable clinical experience in an urban setting for medical students;

## OHIO

The Ohio Statewide AHEC represents a partnership among all seven medical schools and the state coordinating board for higher education to improve the distribution, supply, quality, utilization, and efficiency of health personnel serving Ohio. It employs educational incentives to attract and retain health professionals in scarcity areas. Community-based clinical experiences for students, regional continuing education for primary care practitioners, and local health promotion activities are offered through its seven regional AHEC programs, 11 community advisory boards and centers, 29 participating schools and colleges, 47 education programs from 22 different health profession disciplines, and approximately 750 clinical sites. The Statewide AHEC is organized to serve six distinct health education and manpower services areas containing all 88 counties of the state.

Major accomplishments of the Ohio Statewide AHEC since 1978 include:

* establishment of 11 independent community-based health education centers;

* regionalization of health education and manpower planning statewide;

* decentralization of clinical training for all health profession students, 10% of all undergraduate medical clinical rotations offered through AHECs;

* improved collaboration between state agencies (health, higher education, mental health, and public assistance) and health profession schools (22 disciplines);

* enhanced effectiveness and coordination of all incentive programs intended to attract and retain primary care providers serving underserved areas; and

* generation of significant nonfederal support for AHEC sponsored and related educational activities.

## SOUTH DAKOTA

The University of South Dakota School of Medicine Rural Area Health Education Centers Program was established in September 1978. The AHEC Program currently consists of the Program Office at the School of Medicine in Vermillion and three AHECs/Centers. Each AHEC center has been active in increasing the educational opportunities for undergraduate health sciences education, supporting primary care medical and residency training, providing continuing education for health professionals in their regions.

In May 1975, the School of Medicine established a four-year community based medical school in which the clinical facilities utilized for teaching are not owned or operated by the School of Medicine. The curriculum emphasizes family medicine and primary care and is dependent upon the AHEC centers, the support and participation of practicing physicians, ambulatory clinics, and community hospitals throughout the entire State. Since its inception the number of physicians in South Dakota has nearly doubled to 932. Two hundred and eight of the 357 graduates have entered residency training in the broad area of primary care.

## EASTERN VIRGINIA

The Eastern Virginia AHEC is a combined rural-urban program, involving three AHEC centers which provide active service and programs to 8 cities, 6 counties, and a population base of 1.2 million citizens (almost one-fourth of the population of the state). The Eastern Virginia AHEC has been involved in

- Programming in 20 community hospitals, 12 local health departments, 10 school systems, at least a dozen senior citizens homes and geriatric centers, and more than 70 other community settings including churches, industrial settings, and ambulatory care centers.
- Coordination of more than 3,000 health professions student placements in the past year alone, representing more than 100,000 hours of training, with students providing service in rural and inner-city communities away from their home campuses.
- Development of over 200 continuing education courses which have enrolled more than 4,000 health professionals to assist them in retaining their competency in their rapidly changing fields as well as development of high school health careers recruitment activities which have reached more that 13,000 children from rural and inner-city areas throughout eastern Virginia.

## ARIZONA

The University of Arizona College of Medicine, in collaboration with the Colleges of Pharmacy and Nursing, School of Health Related Professions, Northern Arizona University, the Arizona State University, and three community colleges is developing a Hispanic-oriented AHEC, with two AHEC centers in southern Arizona. Medically underserved communities in four Arizona counties bordering Mexico will participate in this program.

The SAHEC will utilize bilingual teaching and where appropriate, establish direct institutional links to the Mexican health care system. In giving the Hispanic AHEC a border health focus, the project proposes to recruit from a national pool and train a cadre of primary care specialists in border health. The overall goal of the project is to establish a center of learning where teams of Hispanic and other interested students in the health professions can participate in delivering culturally appropriate health care services in a Mexican-American mileau.

## GEORGIA

Morehouse School of Medicine is a member of the Atlanta University Center, Inc., the largest consortium of black institutions of higher education in the world. The seven private institutions which constitute the Center are: Atlanta University, Clark College, Morehouse College, Morehouse School of Medicine, Morris Brown College, Spelman College, and the Interdenominational Theological Center. The combined enrollments of the consortia institutions total more than 8,000 students.

The rural AHEC (TAHEC) which is in Tuskegee, Alabama will serve nineteen counties of central Alabama. Its facilities will include among others: four community hospitals, two 330 health clinics, a Veterans Administration Medical Center, the Alabama Department of Health and professional volunteer and community organizations.

The urban center will include several medically underserved communities in Metropolitan Atlanta, Georgia. The training facilities for the urban center will include two community hospitals, four 330 community health clinics, four public hospital satellite clinics and the County Department of Health. The program will embrace the following components: medicine, nursing, allied health, pharmacy and social work.

## MICHIGAN

The Michigan State University Northeast-North Central Michigan Area Health Education Center program is administered through the University's College of Human Medicine. The AHEC serves 32 counties in Northeast and North Central Michigan and combines both rural and urban medically underserved. The major goals of the AHEC include developing educational training sites in both the urban and rural areas for the multidisciplinary training of students of Schools of Dentistry, Nursing, Pharmacy, Health Education, Allied Health, Nurse Practitioner/PA, Undergraduate and Post-Graduate Medical, Social Work and Dietetics; providing an emphasis on geriatric training and health delivery in these training sites for health professional students; develop multidisciplinary educational sites in specific rural health areas designed to assess health care for a predominantly Hispanic migrant population; and developing an area wide continuing medical education and continuing education system and program for health professionals through consolidated resources.

## TENNESSEE

In October, 1984, Meharry Medical College entered into a cooperative agreement with the U.S. Department of Health and Human Services to develop an Area Health Education Centers (AHEC) Program in Tennessee which would link community health and education resources with those of the following participating institutions: Tennessee State University, School of Nursing; Trevacca Nazarene College, Physicians's Assistant and Medical Assistant Programs; and Meharry Medical College, School of Allied Health Professions, School of Dentistry, and School of Medicine. Affiliations with other institutions are now being developed and it is projected that by the end of Year 02 of the program, Middle Tennessee State University and Eastern Tennessee State University will be participating institutions.

Trainees in the various health professions will be exposed, via an interdisciplinary and multi-disciplinary health team model, to various modes of health care delivery in a variety of urban and rural Tennessee sites while continuing education experiences will be provided community health professionals within their community settings.

## Statement of Paul B. Anderson, President, National Association of State Emergency Medical Services Directors

This testimony is offered on behalf of this national EMS association which has a very serious concern relative to the continuation of comprehensive EMS systems programs in the United States in order to prevent death and disability thousands of times daily throughout the nation.

The National Association of State Emergency Medical Services (EMS) Directors has approved the following resolution on the subject of the Preventive Health and Health Services Block Grant Program:

> WHEREAS, the delivery of emergency medical services has been recognized as a part of the health care delivery system, and
>
> WHEREAS, emergency medical service system(EMSS) funding was previously authorized and appropriated by Congress and administered by the federal Department of Health and Human Services, and
>
> WHEREAS, the Congress currently provides EMSS funding through the Preventive Health and Health Services Block Grant Program, and
>
> WHEREAS, it is important not to dilute the funding initiative at the federal level,
>
> NOW THEREFORE, BE IT RESOLVED THAT the National Association of State EMS Directors:
>
> 1) supports the continuation of EMSS funding at the federal level;
> 2) recommends that this funding continue under the Preventive Health and Health Services Block Grant Program at the Department of Health and Human Services
> 3) feels that on both the state and the federal level greater emphasis be placed on the health services portion of the above named block grant; and
> 4) recommends that the Department of Health and Human Services coordinate its activities relating to EMS with the National Association of State EMS Directors.

The National Association of State EMS Directors(NASEMSD) strongly believes that adequate funding for this block grant program is a necessity. The Congress is urged to continue this block grant program and to provide adequate funding for both the preventive and the health services aspects that must be addressed to serve the citizens of this nation.

The National Association of State EMS Directors(NASEMSD) also believes that the flexibility of the block grant programs must be maintained in order to permit states to use this funding in relation to the emergency medical services(EMS) priorities that exist in each state now and in the future.

The Subcommittee on Labor, Health and Human Services, Education and related agencies is urged to act favorably to continue the Preventive Health and Health Services Block Grant Program and to ensure that adequate funding is provided in order that emergency medical services systems throughout the nation are kept viable to be able to reduce death and disability.

## STATEMENT OF THE FEDERATION OF ASSOCIATIONS OF SCHOOLS OF THE HEALTH PROFESSIONS

The Federation of Associations of Schools of the Health Professions (FASHP) represents the schools of osteopathic medicine, nursing, pharmacy, podiatric medicine, veterinary medicine, optometry, public health, and health administration. More specifically, the FASHP represents over 300,000 students and 35,000 faculty members in some 1600 schools located throughout the United States and in Puerto Rico. We are pleased to have this opportunity to express our consensus regarding Fiscal Year 1986 funding for health professions training programs contained in Titles VII and VIII of the Public Health Service Act.

This Subcommittee historically has demonstrated a commitment to the provision of quality training for the health professions through appropriate levels of funding. We are grateful for that support and hopeful that the Subcommittee will continue to recognize the importance of that support.

The health professions schools represented by the Federation play a key role in assuring adequate and appropriate health manpower and research capabilities necessary to maintain the health of the people in this country -- the young and old of all income levels living in both urban and rural settings. To eliminate completely federal funding for the training of health professionals, as proposed by the Administration, would be to jeopardize seriously the current and future health care needs of this nation.

Federal support of health professions education is not, despite statements to the contrary, intended for the expansion of physician training in oversupplied specialties. Rather, the programs supported through Titles VII and VIII focus on the very areas of need identified by the Administration. For instance, the Department of Health and Human Services (DHHS) has designated the delivery of primary care services as a national priority. Title VII programs such as Family Medicine Departments, Family Medicine Residencies, General Internal Medicine and General Pediatrics have, historically, assured the maintenance of primary care physicians. Yet, the Administration would eliminate these training programs completely.

Increasingly, the health care environment has evolved toward a recognition of health promotion and disease prevention as significant components of a cost-effective health care system. Title VII programs such as Training in Preventive Medicine, Public Health Traineeships, and Graduate Programs in Health Administration have allowed the FASHP schools to maintain their important contribution to this health care environment. Further, the training of nurses through Title VIII programs has allowed that profession to contribute toward these efforts as well. Yet, the Administration would eliminate these training authorities completely.

The "graying of America" has created a demand for all health professions to develop faculties and curricula which focus increasingly on a geriatric population. The Curriculum Development and Faculty Training Grant Program contained in Title VII and Special Project grants of Title VIII provide federal support for the schools of the Federation to work innovatively in changing traditional approaches to serve this expanding segment of the population. Yet, the Administration would eliminate these grant programs completely.

Because the health care delivery system is undergoing such dramatic changes in response to cost containment measures, health professions schools must develop non-traditional clinical training sites which are consistent with these trends. Both Titles VII and VIII, through their Special Initiatives authorities, assist our schools in developing such projects as remote-site training for podiatric students and rural outreach programs for nursing students. This year, the Administration has called for the termination of these authorities.

Additionally, minority and disadvantaged populations are severely underrepresented in the health professions. Title VII and VIII programs such as the Health Professions Student Loan Program, Nursing Student Loan Program, Scholarships for Exceptional Financial Need, and Educational Assistance to Individuals from Disadvantaged Backgrounds have allowed us to offer incentives and assistance to minority and disadvantaged health professions students. Yet, the Administration has requested their elimination.

Contrary to popular belief, shortages still exist nationwide for several of the health professions. According to recent federal government reports, the projected need for pharmacists, optometrists, podiatrists, public health specialties and nurses is likely to be greater than the projected supply of these professionals, as early as the 1990s.

We are concerned with proposals to eliminate completely funding for health professions training programs. Indeed, we are concerned with any drastic reduction in such funding. Our concern is not only with the maintenance of any adequate number of health care professionals, but also with the provision of the type of professional who is adept in meeting current and projected health care needs. Without ongoing federal support, our nation's ability to address these issues is seriously compromised.

Therefore, the FASHP requests that, at the very least, funding for Title VII and Title VIII programs be kept at current service levels. While individual members of the Federation may be identifying programs which require higher levels of funding, the FASHP requests here that the Subcommittee, at the least, maintain the current level of federal support for these programs.

The FASHP would like to address the issue of health professions student assistance more specifically. As the costs of education and student indebtedness rise, the area of federal funding for health professions education becomes increasingly significant to schools of the Federation.

Enrollments for health profession's programs are threatened by rising costs of education. Resulting indebtedness for our students may affect their career choice and/or geographic locations such as those demonstrating health manpower shortages potentially could bear the brunt of rising costs and indebtedness. The FASHP believes that the federal government could and should provide important incentives to students for meeting these critical health care needs.

Three major student loan programs exist which provide badly needed funds for health professions students: HPSL, NSL, and HEAL. Continuation of these programs with viable federal support is vital. The Subcommittee plays a significant role in that continuation.

HPSL and NSL monies are targeted for those students with exceptional financial need. With a minimal federal distribution of seed money to eligible schools, HPSL and NSL funds can be utilized by those institutions through rolling over the original investment from loan repayments to loans for new borrowers. Newer schools have had no opportunity to develop such revolving funds. Consequently, specific to the HPSL program, the FASHP recommends an appropriation of $2 million for FY86. That funding level, based on the House and Senate-approved reauthorizing legislation of last session, would ensure that newer schools have access to such federal assistance in the recruitment of minority and other disadvantaged students.

The Subcommittee undoubtedly is aware of the excessive delinquency reported for this program in 1982. At that time, the FASHP membership marshalled its expertise and assisted the Bureau of Health Professions. The success in reducing the level of delinquency from 15% in 1981 to 5.59% in 1984, while calculating that level through a more stringent computation formula, indicates the responsiveness of our schools to this crisis.

The HEAL program, unlike the HPSL and NSL programs, requires only credit authority rather than a direct appropriation. Further, HEAL borrowers pay a percentage of each loan to the Student Loan Insurance Fund through which lenders are insured against potential losses suffered by a borrower's default, death, disability, or bankruptcy. Thus, both in terms of cash outlays and insurance expenses, federal investment in the HEAL program is negligible.

Although more costly to the borrower than HPSL loans because of higher interest rates, HEAL loans have provided invaluable support to many students who otherwise would be unable to gather financial resources to pursue a health career. Loan volume under the HEAL program increased by $75 million between 1983 and 1984. To totally eliminate this program, or to place it under an unrealistic credit limit would create serious obstacles for health professions students.

The limit under this program for FY85 was established at $250 million and the Bureau of Health Professions reports that borrowers are nearing that ceiling already. Therefore, the FASHP recommends that the Subcommittee set an FY86 credit authority mark for the HEAL program at $300 million.

In addition, the FASHP supports HEAL authorizing language which would allow one fiscal year's HEAL line of credit to be carried forward to the next fiscal year, without decreasing that next year's credit ceiling. As the Subcommittee may be aware, this has been allowed in the past to provide limited flexibility in the disbursement of HEAL monies from one academic semester to the next.

We are concerned with this year's directive by the Office of Management and Budget against that carry-over authority. Such an abrupt change in policy prevents our students from any assurance that HEAL funds, which provide invaluable support, will be disbursed in a reliable, continuous manner. We respectfully request the Subcommittee's endorsement of authorizing language which would allow carry-over of credit authority for undisbursed funds without jeopardizing the following fiscal year's credit ceiling.

* * *

The Federation appreciates this opportunity to express our perspective regarding FY86 appropriations for health professions' training programs within the Subcommittee's jurisdiction. Graduates of FASHP schools are providers of primary care, directors of immunization programs, administrators of health maintenance organizations, providers of eye and vision care, geriatric nurse-practitioners, health educators, providers of foot care, and clinically oriented pharmacists. In short, appropriate funding for health professions training programs allows our graduates to play a key role in maintaining the nation's health in a cost-effective manner which is both cognizant and responsive to current, national needs.

## STATEMENT OF DR. JERROLD M. MICHAEL, DEAN, UNIVERSITY OF HAWAII SCHOOL OF PUBLIC HEALTH

Mr. Chairman and members of the subcommittee, I am Jerrold Michael, Dean of the School of Public Health at the University of Hawaii. I appreciate this opportunity to present additional testimony before this body to extend remarks about Schools of Public Health and about the special characteristics of our Hawaii School previously made on January 17, 1984 in Honolulu and approximately one year ago here in Washington on April 25, 1984.

Today's testimony is in support of authorizations for Schools of Public Health and to highlight the special role of the School of Public Health in Hawaii in relation to an initiative (S.771) signed by the President in October of 1984 authorizing the establishment of 13 Health Promotion Centers at Schools of Public Health designed to carry out research and demonstration in disease prevention and health promotion.

The 23 U.S. Schools of Public Health, located in 17 states and Puerto Rico, train graduate students for public and private, non-profit sector service in health promotion and disease prevention programs. Traditionally, the Schools received federal teaching assistance from three sources: institutional support (capitation grants), traineeships for students, and special project funds for course development. Special projects are no longer authorized, traineeships have been cut in half since FY 1981, and capitation has dropped from an annual appropriation of $6 million in the years 1978 to 1981 to $5 million in FY 1985.

In 1978, the average capitation award per School was $278,000 for the 21 Schools; in FY 1985, the average award dropped to $208,000 for 23 Schools. For our School in Hawaii it was $159,419.

In FY 1980, the average-amount-per-student awarded to the 22 Schools was $873; in FY 1985, the average-amount-per-student awarded to the 23 Schools dropped to $675.

Our graduates continue to work overwhelmingly in the public and voluntary sector (over 80 percent). The graduates have continued to be employable even under constrained economic conditions. Our graduates, unlike those of other health professions schools, do not enjoy lucrative incomes. Over 80 percent of the graduates are employed by governmental and community agencies and universities. The average income of all 1981 graduates of Schools of Public Health was $24,500, and half of these graduates made less than $22,000 a year.

The original mission of our country's Schools of Public Health was to prepare personnel to control communicable diseases through sanitation and inoculation. This mission has been altered in recent years as health needs have changed. Schools of Public Health now prepare professionals to address health policy, planning, management, and environmental concerns. Today, the Schools graduate professionals competent to plan, manage, and coordinate health programs such as HMO's which emphasize cost control and quality of care, among other areas. The Schools also emphasize the environmental health sciences needed to identify and control health hazards such as toxic wastes, air and water pollution.

We at the School of Public Health at the University of Hawaii have an additional role which is unique among all of the 23 Schools of Public Health. The University of Hawaii's School of Public Health has, from its inception in 1962, concentrated its academic interests on international or global health problems. This orientation reflects the Asian and Pacific Basin focus of the State of Hawaii and the University as a whole. The School's mission addresses itself to cultural concerns related to health, and its academic, service, and research objectives emphasize the application of public health knowledge in international and domestic settings where multi-ethnic and multicultural populations predominate.

The School has continued to focus a substantial portion of its resources on stimulating and participating in the development of training programs for health professionals of other countries. These individuals are called upon to cope realistically with their own country's health problems and to effectively utilize the resources, methodologies, and appropriate solutions inherent in their own cultural, regional, and international environments and experiences. The School also trains a large group of Americans who wish to both serve in the international arena and in our own country in cross-cultural arenas such as Indian Health and migrant health programs.

We have found that the following factors are important to international health promotion and disease prevention in the Asia-Pacific region:

Formal International Relationships. The School maintains formal relationships with universities and ministries of health in Guam, Fiji, Thailand, Indonesia, Malaysia, the Philippines, Singapore, the People's Republic of China, Sri Lanka, and Nepal. Similar formal relationships promoting the exchange of research and training resources between countries are under development with Korea and Japan. These international working relationships express themselves in the newly formed Asia-Pacific Academic Consortium for Public Health of which the University of Hawaii School of Public Health is the United States' representative. I serve as Secretary-Treasurer of that organization.

Reciprocal Institutional Commitments. The University of Hawaii School of Public Health maintains a strong commitment to working collaboratively with these international institutions and to maintain positive working relationships with the World Health Organization, the U.S. Agency for International Development, and the U.S. Centers for Disease Control for work in the Pacific Basin.

International Network of Health Promotion and Disease Prevention Centers. The University of Hawaii School of Public Health and its colleague institutions in this innovative Consortium represent an invaluable existing resource to the United States. Each institution in the Consortium is, in itself, a center for knowledge and capability in health promotion and disease prevention, and each is committed to share its expertise, resources, and insights with its colleague institutions.

The School's international relationships are of long standing, as is its involvement in the Asia-Pacific region. This is reflected in part by the fact that 50 percent of our students are non-Caucasians and 31 percent are from foreign (mainly Asian) or Pacific nations. Our faculty has strong international research and training experience.

Our curriculum reflects the international and multi-cultural nature of our mission, as does our list of accomplishments. The School, in concert with other campus health professional schools, recently completed a comprehensive study of the Pacific Basin health needs at the request of the U.S. Public Health Service.

Mr. Chairman, Senate Bill 771 which I refer to above calls for the establishment of three centers of health promotion and disease prevention in FY 1985. We understand that the committee may be interested in seeing one of the first three national centers funded as an international center serving the Pacific Basin and Southeast Asia with strong international collaborative involvement of the nations of the region.

We believe that funding of such an international center at the School in Hawaii would be useful to United States interests, in that it would occasion the following:

1. It would permit the United States to draw on the enormous strengths of universities in the Asia and Pacific region for the purpose of transferring research findings and health promotion/disease prevention technology between the United States and colleague nations.
2. It would permit the United States to take a corollary path in health to match the economic development actions in the Asia-Pacific region. It has been said that while we have experienced the age of the Mediterranean and the age of the Atlantic, since the Second World War we have been in the age of the Pacific. International collaboration has many advantages, not only in commerce, business, and national defense, but in health as well.
3. It would make available the tremendous ethno-cultural diversity in the Asia-Pacific region as an important comparative population for demonstration projects in health promotion.
4. It would permit the United States to continue to build upon the ongoing international efforts through USAID and the World Health Organization to the benefit of the national interests.

The University of Hawaii School of Public Health is committed to the attainment of our health objectives for the nation and to use its outreach to Asia and the Pacific to benefit research and health promotion and disease prevention in our own country. It is also committed to assisting in the establishment of our national goodwill which can result from these efforts.

## Letter From Beverly A. Krogseng, R.N., M.P.H., COHN, President, Minnesota Association of Occupational Health Nurses, Inc.

May 20, 1985

The Honorable Senator William Proxmire
186 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Proxmire:

On behalf of the Minnesota Association of Occupational Health Nurses (MAOHN), an organization of 220 nurses, I urge your support for Public Law 91-596 and the restoration of funding at the $15 million dollar level for the Educational Resource Centers. The role of the center has been to provide continuing education and advanced interdisciplinary education with the ultimate goal to reduce worker injury and illness.

The Midwest Center for Occupational Health and Safety has provided vital education in many areas which are of utmost concern in the State of Minnesota. Specifically, Worker Right-to-Know, Workers Compensation, Applied Toxicology, A Comprehensive Review of Occupational Health Nursing, and the Annual Fall Institute at the School of Public Health have assisted professionals to expand their knowledge and skills in order to plan and implement health and safety programs for workers in their places of employment.

Since 1977 the Midwest Center, along with ERC's nationwide, have been actively developing a research and educational base. Just as the center was beginning to have an impact, funds were severely cut back, and since 1981 the continued existance of the ERC is threatened. MAOHN urges you to support P.L. 91-596 and funding for the ERC. I ask that you include this letter as part of the hearing record. Thank you.

Very truly yours,

Beverly A. Krogseng

Beverly A. Krogseng, RN, MPH, COHN
President MAOHN

## STATEMENT OF ALBERTA DOBRY, PH.D., AMERICAN HOME ECONOMICS ASSOCIATION, AND COALITION FOR HOME ECONOMICS EDUCATION PROFESSIONAL ORGANIZATIONS

Senator INOUYE. I am pleased to yield to the distinguished Senator from North Dakota, who wishes to introduce a very distinguished resident of the State of North Dakota.

Senator BURDICK. Thank you, Mr. Chairman.

Today, I am privileged to introduce a fellow North Dakotan down here, Alberta Dobry. Dr. Dobry is chairperson for the department of home economics at North Dakota State University. She has written and coauthored numerous articles and publications addressing. home economics and teacher education.

In addition, Dr. Dobry has been involved in a number of research and training projects.

Doctor, you are the expert. Obviously, you are well-versed in your subject area. With that in mind, I would like to welcome you on behalf of the subcommittee and welcome your statement.

Ms. DOBRY. Thank you very much, Senator Burdick, and Mr. Chairman.

To begin, I would like to thank you for this time to speak on behalf of the 70,000 combined members of the three professional associations represented by the coalition of the American Home Economics Association, the American Vocational Association, and the Home Economics Education Association.

My primary purpose is to examine the issue of funding for consumer and homemaker education as part of the Carl D. Perkins Vocational Education Act.

Late last year, Congress recognized the need for earmarked funds when funding for consumer and homemaker education was authorized. I am here today to appeal to you to stand behind those original convictions and continue the line item funding.

Based on the successful record of being responsive to socioeconomic changes as they affect families, consumer and homemaker education programs have a great impact on the 3.9 million youth and adults they serve. Prevention and alleviation of problems, rather than intervention or remediation, is a program priority. Helping families to successfully manage their money to avoid bankruptcy, or helping to prevent teenage pregnancies thus reducing cost for child rearing, or helping to assist the handicapped to function as productive citizens in society, all have long-term implications for the family and for society.

To ensure provision of funds to improve, expand, and update these programs, the line item provision written into the Carl Perkins Act must be continued. In addition, in meeting the needs of the general population, line item funding ensures provision for target programs for school-aged parents who might otherwise drop out of school, or programs for incarcerated youth and adults such as the Male Juvenile

Center at Ethan Allen School in Wisconsin, or the State Industrial School in North Dakota.

Line item funding ensures special programs for severely handicapped children such as the one in St. Petersburg, FL, where students in grades 9 through 12 are taught to function within society by learning self-control and time management.

It ensures programs like the anti-drunk-driving campaign among teenagers in Minnesota, New Mexico, Wisconsin, and other States, which has been launched by the Future Homemakers of America, a student leadership organization; or nutrition education projects where Future Homemakers of America work with grade school children; or parenthood education programs for in and out of school youth.

The President's budget omits the line item provision and places funding for consumer and homemaker education under the basic State grant, title II of the Carl D. Perkins Act. If the line item of $32 million is moved to title II, the effect will surely be a reduction to the virtual elimination of the money that should ultimately have reached consumer and homemaker education.

Under title II, up to 56 percent of all funds must be used off the top. Thus, it is not possible to inject the amount spent last year for consumer and homemaker education into title II basic grants and reap the consumer and homemaker education benefits we are seeing during the present fiscal year. In fact, in order to satisfy the set-aside provision of title II basic grants and still accomplish $32 million of consumer and homemaker education benefits, considerably more dollars would have to be invested initially.

Plainly stated, the President's proposal appears at first to be only a simple, level-spending budget adjustment. In fact, operationally, it means less benefits for each dollar spent.

Consequently, Senators, we are asking you to keep funding the consumer and homemaker education separate from the basic State vocational education grants. Specifically, we are asking that you fund consumer and homemaker education as a line item under title III, part B of the Carl D. Perkins Act of 1984.

Thank you for your time and your attention. I will be happy to answer any questions that you have.

### PREPARED STATEMENT

Senator INOUYE. Thank you. We will insert your statement in the record at this point.

[The statement follows:]

## Statement of Alberta Dobry

Thank you for the opportunity to examine the issue of funding for Consumer and Homemaker Education as part of vocational education. My name is Alberta Dobry and I am appearing on behalf of the American Home Economics Association and the Coalition for Home Economics Education Professional Organizations. The Coalition has a combined membership of more than 70,000 individuals in the American Vocational Association (AVA), the American Home Economics Association (AHEA), and the Home Economics Education Association (HEEA) which is an affiliate of the National Education Association (NEA).

For the past two years, the Coalition has devoted special efforts toward the legislative specifications for the authorization of the Carl D. Perkins Act of 1984 (P.L. 98-524). The Coalition worked very hard to ensure that Consumer and Homemaker Education would be authorized as a line item to insure provision of grants of funds to states earmarked to improve, expand, and update Consumer and Homemaker Education in keeping with the needs of society. You and your colleagues in the 98th Congress recognized that need late last year and authorized funding for Consumer and Homemaker Education as a line item. As a result, Consumer and Homemaker Education programs currently exist throughout the country to prepare males and females for the occupation of homemaker at all educational levels, focusing on preventive education and addressing national social and economic concerns.

As things stand now, however, the existence of Consumer and Homemaker Education programs is in jeopardy for FY'86, and that is why I am appearing before this Subcommittee today. Before I explore the funding problem, however, I would like to take a few moments to share what has been accomplished with the funds you appropriated for Consumer and Homemaker Education last year.

The program emphasis of Consumer and Homemaker Education includes managing family economics and consumer behavior, managing combined home and work reponsibilities, improving responses to individual and family crises (including avoiding family violence and child abuse), strengthening parenting skills, assisting handicapped and aged family members, improving nutrition, conserving limited resources, understanding the impact of new technology on life and work, and applying Consumer and Homemaker Education skills to jobs and careers.

The programs are intended to aid individuals and families in developing the competencies that will help them improve the quality of their life and strengthen family relationships. The major concepts that unify the content of the subject matter areas are those set forth by Congress in the Perkins Act: food and nutrition; consumer education; family living and parenthood education; child development and guidance; housing; home management (including resource management); and clothing and textiles.

Changes in the family over the past decade have resulted in the emergence of many new and diverse family styles. The traditional family unit of father/wage earner, mother/homemaker and dependent children currently accounts for only 7% of all families. Single-person households accounted for 25% of the family units in 1980. At that time 51% of married women were in the labor force (including 45% of all mothers with children under 6 years of age). One out of every two marriages is estimated to end in divorce. Single parent families have increased dramatically, with more than one-fifth of all children under 18 raised by a single parent. Rising incidents of personal bankruptcy and other economic crises, such as loss of job or reduction in pay, affect family goals, lifestyles, and even personal relations between family members. Child and spouse abuse in increasing. There were 785,100 reported cases of child abuse in 1980 alone. Teen-age marriage has become more prevalent and the adolescent pregnancy rate in the United States is the world's highest. Drug abuse is a major problem in high schools throughout the country. Alcohol abuse and drunk driving is increasing in the under twenty-one age group.

Consumer and Homemaker Education programs developed and operating with current funds have been responsive to socio-economic changes as they affect families. Prevention or alleviation of problems, rather than intervention or remediation, is a program priority. Helping families to successfully manage their money thus avoiding bankruptcy, or preventing a teenage pregnancy thus avoiding the costs related to rearing a child, or assisting the handicapped to function as a productive citizen in society, or improving life skill attitudes that make a worker more productive at paid employment all have long term implications for the family and for our society.

Consumer and Homemaker Education is the unique and critical force within vocational education aimed at providing knowledge and skills to youth and adults to help them cope in a constantly changing world, and to assist them in maintaining and increasing the quality of family life. One of the unique factors is attention to special needs. Several examples of target programs document their success:

- Parenthood Education - A Study of 17 high schools in North Dakota, South Dakota, and Minnesota compared students who had completed parenthood education courses with matched students who had not enrolled in these courses. Results of the study showed that the students completing the parenthood courses had a greater knowledge of child development, more confidence in their ability to deal with children, and more skills in solving childrearing problems than those who did not take the courses. Similar studies have been conducted in other areas of family skills and similiar successes have been noted.

- Handicapped Children and Adults - According to the National Center for Education Statistics, Consumer and Homemaker Education programs serve the largest share of handicapped and minorities than any other vocational service area. For example, there is a program for severely handicapped children in St. Petersburg, Florida where students grades nine through twelve are taught to function within society by learning self control and time management. Emphasis is placed on forming health and hygiene habits, developing self-respect, learning to respect the rights of others, and basic decision making skills. The same skills are taught to handicapped adults in Consumer and Homemaker Education funded programs elsewhere in the nation.

- Incarcerated Youth and Adults - Programs such as the male juvenile detention center at Ethan Allen School in Wisconsin and Marmot High School, the State Industrial School, in Mandan, North Dakota use Consumer and Homemaker Education funds to improve self concept, to learn to communicate with family and friends, and to establish consumer skills such as budgeting, comparison shopping, and dangers inherent in credit buying. All of these are factors that may significantly improve chances for maintaining self support in the community without resorting to criminal activities. Other states providing similiar programs include Colorado, Georgia, Idaho, Kansas, Kentucky, Maine, Michigan, Puerto Rico, New Mexico, Utah, and Texas.

° School Age Parents - An alternate school in Decatur Township of Marion County Indiana uses Consumer and Homemaker Education funds to ensure that school aged parents are able to continue their education and receive services including day care centers and instructions to learn skills in parenting, nutrition, and disciplining children in a positive manner. One teen-age mother who previously had a high truancy rate entered this program and maintained nearly perfect attendance. When asked why the change, she said this was the first time school meant anything to her and she felt like going every day. States providing programs for teen-age parents include Alabama, Arizona, Connecticut, Florida, Georgia, Massachusetts, Michigan, New Mexico, Ohio, Puerto Rico, and Texas. Without funding for Consumer and Homemaker Education, programs to help young parents continue their education and learn management skills will not be maintained.

° Teen-age Drunk Driving - The Future Homemakers of America youth organization, a student leadership organization within Consumer and Homemaker Education, has launched an Anti-Drunk Driving campaign in Minnesota, New Mexico, Wisconsin, and many other states. The students work with the state highway departments in organizing peer-education programs to prevent students from drinking and driving. The impact of such programs has far reaching effects. For example, Marnie Kleven, a teen-ager from Cook, Minnesota was inspired to become involved with this program in her state. Her work was so outstanding that she won the National Home Economics Student of the Year Award in 1983. Further, her ideas to combat drunk driving received exposure in schools across the country when she was featured in Co-Ed (January 1984).

° General Populations Programs - In terms of programs for the general population, Consumer and Homemaker Education does make a difference. This was documented in a comprehensive follow-up study of high school graduates to determine the impact of Consumer and Homemaker Education programs in North Dakota in 1981. To identify recent graduates, a two-stage sampling procedure was used. First, school districts were selected randomly, then a random sample of recent graduates who had been enrolled in Consumer and Homemaker programs was drawn from each district. Telephone interviews were made with 155 graduates which represented 86% of the sample. A few anecdotes from those interviews verify the value of Consumer and Homemaker Education.

A female graduate described as mentally handicapped, slightly crippled, and disadvantaged was interviewed. When asked if she gained anything personally from Consumer and Homemaker Education, she said, "Oh yes, confidence to do things I was afraid to try before."

A female graduate from a family with an alcoholic father expressed special appreciation for a unit on alcoholism in a family living class. She said, "The unit made me seek help for myself. I was the one suffering from my father's illness." She admitted that she had considered running away from home, then added, "I feel that class kept me in my family by understanding the problem and knowing where to seek help."

A male graduate, whose parents had been divorced for six years, lived with his father and younger sister. He said, "It's hard living with one parent and keeping a friendly relationship with both as separate people, but my family living class helped me do this." He said he took six semesters of Consumer and Homemaker Education classes because they helped him with his home responsibilities. He further noted that, "Those classes also taught me to manage my money from my ranch work."

A female graduate who is married and now works full-time caring for seven children in her home said, "I've always wanted to work with children and those classes really helped." She acknowledged that Consumer and Homemaker Education classes probably kept her in school when she said, "I don't think I would have stuck it out without those classes. I probably would have quit school and just gotten married."

A male graduate enthusiastically responded during the interview by saying, "Those teachers were excellent. In fact, they were the best I had in high school. They knew how the real world was and taught things that had meaning. They helped me learn to cope with life."

A female graduate who is the oldest of six children was faced with added home responsibilities in her junior year when her mother became incapacitated due to a lengthy illness with cancer. She said, "I couldn't have made it without the knowledge gained in those classes. Not only was I a full-time student, I had a part-time job that I needed to keep. Mom's illness meant I had to assume most of the household responsibilities including meal planning and preparation, laundry and ironing, child care arrangements for the younger children, shopping, and cleaning. At times I felt that life was overwhelming, but the consumer and homemaking skills I learned in school got me through the bad times."

There are many additional examples of the positive affect of Consumer and Homemaker Education. It is my hope that those presented have given you a feeling of the significant impact that the programs have on youth and adults and on the well-being of children, families, and individuals. But these pro-programs will not continue if line item funding is not continued under Title III, Part B of the Perkins Act.

Consumer and Homemaker Education programs have great impact on the 3.9 million youth and adults they serve. Presently there are 33,000 school programs and 51,000 teachers. Consumer and Homemaker Education exists in nearly every community in the country. To insure the continuation of these programs, you and your colleagues in the Congress must act as you did last year and utilize the line item provision written into the Perkins Act to fund Consumer and Homemaker Education.

The President proposes to ignore the line item provision and fund Consumer and Homemaker Education (at last year's level of $32 million) under the provisions for Basic Vocational Grants--Title II of the Perkins Act. The Assistant Secretary of Education for Vocational Education suggested to this subcommittee in testimony given on April 17, 1985 that Consumer and Homemaker Education programs will survive under basic vocational grants and as an added advantage, the state vocational education directors will have more control over the funds. This simply is not so. If funds are moved to Title II, the effect would surely be a reduction to the point of virtual elimination of the money that should ultimately have reached Consumer and Homemaker Education.

Title II contains numerous fixed percentage spending requirements which have never been applied to Consumer and Homemaker Education. Under Title II, up to 56% of all funds must be set aside, off the top. Thus, it is not possible to inject the amount spent last year for Consumer and Homemaker Education into Title II basic grants and reap the Consumer and Homemaker Education benefits we are seeing during the present fiscal year. In fact, in order to satisfy the set aside provision of Title II basic grants and still accomplish $32 million of Consumer and Homemaker Education benefits, considerably more dollars would have to be invested initially. Plainly stated, the President's proposal appears at first to be only a simple (level-spending) budget adjustment; in fact it means less benefits for each dollar spent. Furthermore, the state vocational education administrators would not receive the flexibility that the Assistant Secretary suggested to you. In most cases their hands would be tied by the spending restrictions. If Consumer and Homemaker Education programs are to continue, the funding must remain in the line item.

Consequently, Mr. Chairman and members of this Subcommittee, we ask that you act as you did last year and fund Consumer and Homemaker Education programs as a line item under Title III, Part B of the Carl D. Perkins Act of 1984. We ask that you do as you have for the past two decades and keep funding for Consumer and Homemaker Education separate from the basic grants for general vocational education.

Thank you for your attention this morning and your consideration in the matter of Consumer and Homemaker Education funding.

Senator INOUYE. If Senator Burdick wants it, you will get it.

Senator BURDICK. That is the way it should be. It doesn't increase the amount of money, it just puts it in its proper category.

Ms. DOBRY. That is exactly right.

Senator BURDICK. How many vocational programs in high schools in North Dakota consist exclusively of consumer and homemaker education, and how would this program be affected if consumer and homemaker funds were moved to title II basic grants?

Ms. DOBRY. Those range, from year to year, any place from 10 to 33, but that means that the only vocational program is consumer and homemaker education in those rural schools. It has been predicted by the State board for vocational education office that we could expect to lose at least 10 of those programs if the funds were moved over into title II.

Senator BURDICK. The basic grant program has various set asides for special populations. As you know, consumer and homemaking does not. Are those special populations being served under the present law, that is, minorities, handicapped and children?

Ms. DOBRY. We serve those populations, and the need come up. Our basic concern is that there would be insured funding to expand, improve, and update those programs.

Senator BURDICK. We are not asking for any more money, but we just want to keep them in their present department.

Ms. DOBRY. That is right, as the act was originally written.

Senator BURDICK. Thank you.

Senator INOUYE. We will do our best, Madam.

Ms. DOBRY. Thank you.

Senator INOUYE. Thank you very much.

## STATEMENT OF JUDITH A. KOLOSKI, CHAIRPERSON, NATIONAL COUNCIL OF STATE DIRECTORS OF ADULT EDUCATION, LEGISLATIVE CHAIR, AMERICAN ASSOCIATION FOR ADULT AND CONTINUING EDUCATION

Senator INOUYE. Our next witness represents the American Association for Adult and Continuing Education, Ms. Judith A. Koloski.

Ms. KOLOSKI. I am Judith Ann Koloski, and I am delighted to be here this morning representing both the National Council of State Directors of Adult Education, the 50 administrators in the States and U.S. territories responsible for adminstering the Adult Education Act, but I am also representing the American Association for Adult and Continuing Education, which represents more than 6,000 professionals, adult professors, students, and teachers in the field of adult and continuing education.

My testimony this morning will focus on the 1986 appropriation for the Adult Education Act, and deal with an issue regarding the 1985 appropriation as well.

The Adult Education Act focuses on the provision of basic literacy, basic skills, English as a second language, and high school completion for the more than 61 million adults in this country who do not have a high school diploma. The act primarily focuses on the 23 million adults who are considered functionally illiterate in this country.

Both of you are very aware, I am sure, of what I would call the administration noninitiative on literacy, which focused a great deal of attention on illiteracy in adults, but, in fact, put no resources or support behind that program.

Adult illiteracy affects every segment of our national life. An adult without a high school diploma earns 42 percent less than an adult who has a high school diploma. Illiterate adults are those most often found in the process of taking from society rather than giving.

In my own State of Maryland, 85 percent of the inmates in our correctional institutions do not have a high school diploma. National data indicate that more than 50 percent of the people in our correctional institutions read at less than a sixth grade reading level. We have more people on welfare and receiving public services who are illiterate and who cannot perform basic functional skills.

We talked about the employability notions in our society today, and the increased need for basic skills for people to get jobs. The people lacking in basic skills are even further behind in the employment market in the future. As we move into the information society, I think this is a really significant issue.

You were talking about the military earlier, and your concern with the Army. I don't think that it does us a great deal of good to have all the equipment in the world if we do not have the people who can perform well enough to use that equipment effectively, and I think that that is a very significant problem we have today.

The Adult Education Act in the last 20 years has proven to be an effective, although a small effort to deal with the problem of adult illiteracy. In 1982, more than 2.3 million people were served at a median cost of $98 per year per person, and that would average out to about 3 hours per night, 2 nights per week for two 15 week sessions.

Seventy-one percent of the participants in adult education programs are functioning at less than a high school level. Only 29 percent of them are in the 9 to 12 category, those almost ready for high school. So when the act has often been accused of creaming off those most educated adults, it certainly is not.

We know that even the acquiring of a high school diploma is significant today for the employing market. Minorities comprise 56 percent of the participants of the program, and 81.5 percent of the students in the program are in the labor market today, and are between the ages of 16 and 44. I read an article yesterday talking about 39 percent of unemployment are minority and youth 16 to 25, and they are the students in our program. In Maryland, 50 percent of the students in our program are between 16 and 25. They are lacking basic skills. Many have high school diplomas, but they still can never achieve.

The program has shown a very effective State, local, and Federal partnership, that is, there is a 50-percent match of Federal money across the country, and the State and local match for the programs.

However, while we believe we are being consistently successful in terms of dealing with the problem in a small way, we have never been terribly successful in securing funding to meet the needs of the problem. The highest appropriation ever received for the Adult Education Act was in 1982, and that was $122 million, that is $122 million to deal with a potential client population of 61 million.

I would like to briefly give you an example of the underfunding as it relates to Hawaii. In the State of Hawaii, the allocation for 1985 is $447,000. You have an eligible population in the State of Hawaii of 199,000 participants in the program. With the median cost of $98 per student, the money needed in Hawaii to help these people achieve their high school diploma would be $19 million across the board.

We know that it is not feasible, and we know that it is unrealistic to assume that everybody in the eligible population would need or even want that service. But I don't think that it is unrealistic to assume that perhaps 10 percent of citizens in the State of Hawaii—I am sorry that I don't have the North Dakota with me—would be interested in participating in that program.

Given that 10 percent of the population, you would need $1,953,000 to service Hawaiian citizens, and the allocation is $447,000. So it is a totally underfunded program across the country.

We know that this committee has to deal significantly with the deficit and the problems and the concerns regarding the Federal budget, but adult educators really believe that an investment in this program returns an investment to society. We believe that this program reduces Government costs by helping people to become employed so that they can participate in the Vocational Education Program that you are going to hear about shortly, by helping people find an alternative to incarceration because they have their basic skills met, and by helping people find that there is a way to participate as full citizens in this life by learning to vote, and be your supporters. They don't speak for themselves, they are really a silent minority, and we speak for them.

In 1984, Congress reauthorized the Adult Education Act with a level of $140 million. The administration has proposed $100 million for its 1986 allocation. We would ask that you consider upping that to the full authorized level of $140 million. We know that it is a difficult decision, but we feel that it is important.

I would like to briefly deal with another issue regarding the 1985 appropriation. When Congress reauthorized the Adult Education Act in 1985, it included a new funding formula which increased the allocation to small or less populated States such as Hawaii and North Dakota, but it also included in its wisdom a hold harmless provision which said that no State, given that the funding was so under level, should receive less than it did in 1984.

There is simply not enough money in the 1985 appropriation to both give the additional money to Hawaii and North Dakota, as well as provide the 19 largest States with the same amount of money that they had before. The difference in the funding for 1985 is $2 million. Therefore, we would need $2 million to maintain the hold harmless provision, and, in fact, meet congressional intent in 1985.

So we have three requests today. One that you reconsider the 1985 appropriation; two, that you certainly consider upping the ante for 1986, we believe that the program is very effective.

I thank you for your time, and I will.be glad to answer questions.

Senator INOUYE. Two years ago the Department of Education issued a report with unbelievable statistics, 52 percent of Hispanic adults are functional illiterates, 47 percent of adult blacks are functional illiterates, 17 percent of adult whites are functional illiterates, and 7 percent of high school graduates are functional illiterates. So you have many compliments here.

Ms. KOLOSKI. We appreciate that. It is very difficult.

Senator INOUYE. I am very pleased that you put the accent on Hawaii and North Dakota.

Ms. KOLOSKI. That is fair. Thank you very much for your attention.

## PREPARED STATEMENT

Senator INOUYE. Thank you. We will insert your statement in the record in its entirety.

[The statement follows:]

## STATEMENT OF JUDITH A. KOLOSKI

MR. CHAIRMAN, AND OTHER DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE. I am Judith Ann Koloski, State Director of Adult and Community Education in Maryland and I am pleased to be here today representing two organizations. I am the Chairperson of the National Council of State Directors of Adult Education (NCSDAE), the professionals responsible for the administration and management of the Adult Education Act in all 50 states and the U.S. trust territories. I am also representing the American Association for Adult and Continuing Education (AAACE), the national adult education association which has a membership of over 6,000 adult and continuing education professionals who annually work with over 21 million adults involved in adult and continuing education programs.

My testimony today will focus on two issues in the appropriations arena. The first will deal with the Administration's proposed funding request of $100 million for 1986: the second will focus on a request for a small supplemental appropriation for FY'85 to ensure congressional intent in the Adult Education Act (PL 98-511) reauthorized during the last Congress.

The Adult Education Act focuses on the provision of basic literacy, high school completion and English as a second language training for the more than 61 million adults, one in five, in this country who do not have a high school diploma. It has as its primary target audience the more than 23 million adults who are considered functionally illiterate, that is, unable to perform even the most basic reading, math and comprehension skills to meet the needs of our every day life.

Adult illiteracy effects every segment of our national life. An illiterate adult earns 42% less than a high school graduate. Illiterate adults are those most often found in need of social services, people who require support from society, people who must take from, rather than give to the community. In Maryland, 85% of the inmates in our correctional institutions have not completed high school. National data indicate that 50% of inmates in correctional institutions read at less than a sixth grade level. Industry needs employees who have, at least, mastered the basic skills. In today's economy, a high school diploma is the minimum passport into the employment market; and given our national shift to an information society, increasingly higher skill levels will be required of our workers. The inability of these undereducated individuals to acquire gainful employment and enter into the economic mainstream of our country will continue to grow. Our country's ability to compete successfully in the international market is dependent upon a well qualified and educated work force. Indeed, all the might of our military weaponry will do us no good if our military personnel do not have the skills to understand and operate the equipment.

The Adult Education Act, over the past twenty years, has proven to be an effective and quality delivery system in dealing with the problem of adult illiteracy. In 1982, more than 2.3 million people were served, at the median cost of $98 per year. That is for an average program involving three hours per night, two nights per week for two fifteen week sessions.

71% of the participants were functioning at less than high school level skills while clients in programs at the secondary level (grades 9-12) represented 29% of the participants. This program does not "cream" the easy-to-recruit. It serves the most educationally disadvantaged clients.

Minorities comprise 56% of the total participants; 81.5% of the adult students in the program are in the labor market age of 16 to 44 years with another 12% in the age bracket of 45 to 59 years of age. 50% of the participants in the program were unemployed.

The return on investment for the program is impressive. 117,236 participants obtained jobs. An additional 75,000 obtained a salary increase and 28,000 were removed from the welfare roles.

Federal, state and local funds combine to support this program. In 1984, the total federal allocation of $100 million was matched by slightly more than 50% in state and local resources, indicating a successful partnership between various government sectors.

While the program has consistently been successful in terms of outcomes, it has not been so successful in securing resources necessary to put a significant dent into the national problem of adult illiteracy.

The highest Federal appropriation ever received for the Adult Education Act was $122.6 million in 1982 - $122.6 million to deal with a potential client population of 61 million.

Let me give you a specific example of underfunding, from the State of Connecticut. Connecticut's allocation for 1985 is $1,281,139. With an eligible population of 759,000 adults and a median cost of $98 per adult, the dollar need in Connecticut alone is $74,382,000. We realize that this level of funding is not realistic nor are we assuming that every individual in the State who is eligible would need or be interested in participating in the adult education program. But, is it not possible to assume that perhaps 10% of Connecticut's adults might need basic education services? Even at this conservative estimate, the funds needed are $7,350,000.

We, as adult educators, as taxpayers and as parents, understand and appreciate the need and effort of this subcommittee to deal with reduction in our federal deficit. But we truly believe that this program addresses the deficit by providing services to decrease government costs: by removing people from welfare roles; by providing individuals with skills necessary to become employed; by improving educational opportunities so individuals can find an alternative to crime and subsequent incarceration. We also know that illiteracy breeds illiteracy and so, by educating parents, we can help break the cycle for our nation's children.

In 1984, Congress reauthorized the Adult Education Act with an authorization level of $140 million. This administration has proposed a funding level of $100 million for FY'86; this is less than the federal appropriation in 1980.

Given the significant need, not in just Connecticut, but throughout the country, it is the request of the organizations I represent that this subcommittee increase the funding for FY'86 to the authorized level of $140 million. We believe that an investment in adult education is an investment in our nation's economy.

There is one other issue I must bring to your attention regarding the 1985 apropriation level. Congress, in reauthorizing the Adult Education Act last October, included an increased base level of support for the smaller states and territories as well as a hold harmless provision to ensure that no state received less than it did for FY'84, that is our 1985 program year. However, because not enough money was appropriated to meet both the requirement of the new funding formula as well as the hold harmless provision, 19 of the larger, more urban states will be losing money so that the new funding formula might be implemented. From the full committee alone, the states of New York, New Jersey, Pennsylvania, Tennessee, and Florida, will suffer decreased funding. We do not believe this was Congressional intent. In fact, the report language clearly indicates that this was not the intent of the authorizing committee. In order to correct this problem, an additional $2 million is needed for the 1985 appropriation, that is, an increase from $100 million to $102 million in FY'85. Given the fact that this program is already underfunded and that Congress, in its wisdom, wished to at least maintain the status quo in these times of tight budgets, it is the request of the National Council of State Directors of Adult Education and the American Association for Adult and Continuing Education that the 1985 appropriation be increased by $2 million.

I thank you for this opportunity to speak before you. I take my role very seriously because I represent so many disenfranchised adults in need of adult education services who cannot or will not speak for themselves. We as a society have failed these people before; let us not do so again.

### STATEMENT OF GENE BOTTOMS, EXECUTIVE DIRECTOR, AMERICAN VOCATIONAL ASSOCIATION

Senator INOUYE. Now we come to vocational education, the executive director of the American Vocational Association, Mr. Gene Bottoms.

Welcome, sir.

Mr. BOTTOMS. Thank you, Senator.

I am Gene Bottoms, the executive director of the American Vocational Association.

It is a pleasure to discuss with you the appropriations for the Carl D. Perkins Vocational Education Act. Since the Act passed real late in the last Congress, Congress has not had an opportunity to enact appropriations for that legislation.

We would like to urge that you enact appropriations along the lines that the bill was authorized and following the pattern of the new law. We are very appreciative of the fact that the administration has asked for level funding. However, we do not agree with some of provisions that the administration has requested.

Specifically, there are three or four recommendations we would urge you to think about.

First, that you move as rapidly as possible to fund the Carl D. Perkins Act at the $949 million level agreed upon during the reauthorization. One particular request I would like to bring to your attention, we would hope that you would consider a supplemental for 1985 in the neighborhood of $100 million, and let me give you the reasons. There are three reasons for that.

The new law creates some additional set-asides in the basic State grant that will virtually redirect $100 million away from programs that we now have, and that is going to take away some programs where we need to make some basic changes. Second, as you know, the Nation is in an economic transition and the workplace is changing and so are the requirements of that workplace. In part, the tax bill of 1981 has driven a lot of changes in the workplace and rightly so, but that means that programs to prepare for the workplace have got to be changed, too. The Congress recognized that in authorizing this legislation.

The third reason that we think the $100 million supplemental is essential, we talked a great deal about excellence in the last 2 or 3 years in terms of math and science directed at scientists and engineers, and that is good. But this Nation's productivity is going to increase only if ordinary students learn how to use in every day work rules the basic, known principles of science and technology. It is the vocational program that connects known knowledge into its use and application.

Finally, we would recommend that as you fund the structure of the legislation that you fund the national programs at a 2 percent set-aside of the basic State grant and not as a line item appropriation, and that you fund the National Center for Research in Vocational Education and the Occupational and Information System as they are authorized in part F, section 552 of the act.

We, too, support funding of the Consumer and Homemaking Education Program under title III, part C, as authorized in the legislation.

Let me just conclude by reminding you, Senator, of just one thing. In 1980, the Federal authorization for vocational education was $784 million. In the budget reconciliation of 1981, we were cut in the neighborhood of around $670 million. We have previously moved back to date in 1985 approriations to $742 million.

You are aware of the inflation that has taken place since 1980, and you know that the $742 million would require over $1 billion to match that Federal level of support today. We feel that in light of the changes that are taking place, the need for skilled people, that a $100 million suppiemental is very reasonable in light of those changes. We would urge your support of our request.

Thank you.

Senator BURDICK [presiding]. As I understand it, there is no argument about the $949.7 million agreed upon during the reauthorization.

Mr. BOTTOMS. That is correct, and that is in the authorizing legislation.

Senator BURDICK. What you are asking for, then, is a $100 million supplemental.

Mr. BOTTOMS. That is right. We are currently at $742 million.

PREPARED STATEMENT

Senator BURDICK. Thank you very much. We will insert your statement in the record.

[The statement follows:]

## STATEMENT OF GENE BOTTOMS

Mr. Chairman and members of the Subcommittee, I am Gene Bottoms, Executive Director of the American Vocational Association, the professional association for the nation's vocational educators. Our association represents a membership of approximately 50,000 vocational teachers and administrators who are daily engaged in preparing our citizens for productive careers.

It is my pleasure to be here today to discuss appropriations for the Carl D. Perkins Vocational Education Act, (P.L. 98-524). Since the Perkins Act was passed after Congress enacted the FY85 appropriations, Congress has not addressed funding for vocational education under the new law. The FY85 appropriations and the administration's FY86 Budget request provide level funding for vocational education. They do not take into account the new provisions in the basic state grant, new initiatives in other titles of the act and new direction established for national programs.

### RECOMMENDATIONS

The vocational education community recommends that the appropriations committee amend and structure the vocational education appropriations to be consistent with the new law and thus set the pattern for the remainder of the life of this act. The federal role in vocational education and appropriate program funding levels was extensively debated in 1984. Clearly the intent of Congress was to increase funding levels for vocational education to carry out the priorities established by the Perkins Act.

We appreciate the fact that the administration has requested level funding for education. We do not agree, however, with the proposals of the administration which would: (1) limit funding of national programs to less than two percent (2%) of the basic state grant mandated by the new law; (2) reduce funding for the National Center for Research in Vocational Education; (3) eliminate funding for Consumer and Homemaking Education; (4) reduce funding for mandated areas such as the State Councils, and (5) neglect the new initiatives in Title III of the act through which Congress sought to address specific needs of vocational education in the states.

Specifically, the American Vocational Association recommends that Congress:

1. Move as rapidly as possible to fund the Carl D. Perkins Act at the $949.7 million level agreed upon as needed during reauthorization.
2. Enact a minimum $100 million supplemental approriation for FY85 to

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address the most pressing inequities that would result from applying the previous funding level to the new law.

3. Structure FY85 and FY86 appropriations measures to be consistent with the provisions of the law, including funding
   - National programs at 2% of the basic state grant and not as a line item appropriation. Precedent is established in the 1 1/2% setasides for Indians and Native Hawaiians.
   - The National Center for Research in Vocational Education, the Occupational Information System and the National Council as provided for in Part F, Sec. 451 of the act.
   - Consumer and Homemaking Education under Title III Part C as authorized
   - The new initiatives in Title III as resources are available and not fold them into the basic state grant.

The chart on page 3 sets forth a summary of our funding recommendations. We understand the nature of the deficit problem and concur with a need for a reasonable approach. However, we would be remiss if we did not recognize that each community in every state has a pressing need for increased vocational education funding. Your continued support to reach our funding goals will certainly be appreciated.

## RATIONALE FOR AN FY 85 SUPPLEMENTAL

### NEW PROGRAM SETASIDES IN THE BASIC STATE GRANT COULD CAUSE SHIFTING OF FUNDS IN THE STATE

The setasides for Single Parents and Homemakers (8.5%), Eliminating Sex Bias and Stereotyping (3.5%), and Criminal Offenders (1%) are new program mandates. They must be funded by state and local agencies regardless of appropriations level.

The reauthorization debate in the Senate centered on the concept that these setasides would come from new funds and not from funds supporting quality vocational education programs serving other groups. If new funds are not available, however, there is concern that these new program mandates will be initiated to the detriment of quality secondary vocational programs. (SEE CHART A)

THE FUNDS AVAILABLE FOR MODERNIZATION OF ON-GOING PROGRAMS WILL BE LESS UNDER THE STRUCTURE OF THE NEW LAW IF CONGRESS DOES NOT INCREASE FUNDING. (SEE CHART A)

## PROPOSED FUNDING LEVELS
## CARL D. PERKINS VOCATIONAL EDUCATION ACT
## FY86

| PROGRAM | AUTHORIZATION FY85 |
|---|---|
| Basic State Grants for Vocational Education | 835,000,000 |
| (Part A - Supplementary Services for Special Population Groups 57%) | |
| (Part B - Program Improvement Innovation and Expansion 43%) | |
| State assistance for support programs by community-based organizations (Title III Part A) | 15,000,000 |
| Consumer and Homemaking Education (Title III Part B) | 32,000,000 |
| Adult Training and Retraining (Title III Part C) | 35,000,000 |
| Comprehensive Career Guidance and Counseling (Title III Part D) | 1,000,000 |
| Industry Education Partnership for High Technology (Title III Part E) | 20,000,000 |
| Bi-Lingual Vocational Training | 3,700,000 |
| State Councils on Vocational Education | 8,000,000 |
| National Program (2% of the basic state grant shall be reserved by the Secretary) - - - - - - | (16.7 million) |
| TOTAL | 949,700,000 |

THE NEW INITIATIVES CALLED FOR IN TITLE III OR THE CARL D. PERKINS VOCATIONAL EDUCATION ACT CANNOT ACCOMPLISH THEIR PURPOSES WITHOUT FUNDS.

## RATIONALE FOR FUNDING FOR FY86

### GROWTH OF THE ECONOMY

Our economy is currently growing, and the increased productivity of the American worker is a major factor in the growth process. In the Economic Report of the President, transmitted to Congress in February, 1985, the Council of Economic Advisors recognized that both former schooling and on-the-job training are important stimulants for increased productivity. These are just as important as capital formation and technology change. Historically, increases in worker productivity have involved a long-term improvement of labor skills.

The Economic Recovery Tax Act of 1981 provided incentives for business and industry growth that spurred changes in manufacturing processes, innovations in marketing efforts and increases in sales. This expansion stimulated new technology, aided economic growth and created new jobs. The American workplace is undergoing a major transition, and the very nature of work and the skills required of the American worker is rapidly changing.

On the other hand, vocational education programs, the most effective bridge between the school and the labor market, have not participated in this growth. These programs have not been adequately funded to keep pace with the need for employment in the expanding economy. While federal policy stimulated business and industrial growth, it has kept funding for the nation's vocational education programs level or in some cases federal assistance to these programs has actually been reduced. The signal has thus been sent that vocational education programs are not a priority partner in the economic expansion, and funding of vocational education at the state as well as the federal level has declined. Therefore, a gap between jobs available and trained personnel to meet those jobs has been created. This year and for the remainder of the decade, the need for quality vocational education has never been greater.

## FUNDING HAS LAGGED BECAUSE OF REAUTHORIZATION

The peak funding year for vocational education was 1980. In the 1981 budget reconciliation, however, vocational education was slashed by almost $100 million. These programs have not yet regained the level of funding appropriated in fiscal 1980. Nevertheless, the American economy continues to change, and quality programs are needed, now more than ever, to train and retrain the American worker. Federal funding for vocational education should provide incentives and support to meet that need.

Unlike vocational education, other education programs affected by the reconciliation of 1981 have regained their funding levels. Some have increased appropriations. Members of Congress delayed action to increase vocational education funds until the law was reauthorized. There is general agreement by many members in Congress now, that the new act with its new initiatives and programs, should be funded. The 99th Congress has the responsibility to complete the unfinished business of funding the Carl D. Perkins Vocational Education Act.

IMPACT OF REDUCED FUNDING SINCE 1981

- Secondary program enrollment has decreased in 70% of the nation's secondary vocational programs. (according to a study conducted by the American Vocational Assocation, February 1985).
- Adult training and retraining programs have been cut. Especially hard hit have been collaborative efforts with business and industry to provide specific adult training and retraining activities. State funds are rarely allocated to those programs on a formula basis. When discretionary funds were cut, those programs suffered.
- Programs for critical new job areas, such as those in high technology, have long waiting lists. Inadequate funding has created this shortage of programs to train individuals in more than half of the new technical fields.
- Vocational teacher turnover has increased in the last five years (AVA Study, February 1985). Worsening program conditions and inadequate compensation have been major factors fueling that trend. Program quality has suffered.
- State governments have reacted to the reduced federal funding by reducing state emphasis on and assistance for vocational education. Concurrently, high school academic requirements for graduation have increased, resulting in a decreased amount of time available to secondary students who wish to take vocational courses. The quality of programs is reduced because of a lack of emphasis.
- Over half of the nation's high school students never go on to college. Quality vocational programs that serve the majority must receive continued support. When the federal government sends a signal to the states that those programs are not a high priority, the negative impact reverberates throughout the school system.

SUMMARY

In summary, Congress can send a new signal to the states about vocational education. Congress, by adequately funding the new Carl Perkins Vocational Education Act, can say that vocational education is important to the states and to our economy. States and local communities will then join Congress in supporting these new program initiatives.

In 1980, the federal commitment to vocational education was almost $800 million. An appropriations of well over $1 billion this year would be needed to support vocational education at the 1980 level. In light of the serious budget concerns facing the United States Congress, we do not anticipate appropriations to reach that level. However, we do request the Congress to move toward funding the vocational education act at the $949.7 million level as soon as possible and that a $100 million supplemental for FY85 be the first step. We believe that such a request is reasonable in light of the need of the states and local communities to provide services to handicapped, disadvantaged and other special population groups and to upgrade their programs of vocational education at both the secondary and postsecondary levels.

Mr. Chairman, we urge your support of this request.

CHART A

FUNDS AVAILABLE FOR PROGRAM
MODERNIZATION AND WHICH ARE NON-TARGETED
(BOTH SECONDARY AND POSTSECONDARY)

| Old Law P.L. 94-482 | | Carl D. Perkins Vocational Education Act P.L. 98-524 with current funding levels | |
|---|---|---|---|
| State Grants (subpart 2 and 3) | $659.9 million | State Grants | $674.3 million |
| less | | less | |
| 10% Handicapped | $ 65.9 million | 10% Handicapped | $ 67.4 million |
| 20% Disadvantaged | 132.0 million | 22% Disadvantaged | 148.3 million |
| 20% of subpart 3 for Guidance & Counseling | 19.9 million | 8.5% Homemaker and single parent | 57.3 million |
| Sex Equity Coordinators ($50,000/State) | 2.5 million | 3.5% Sex Equity | 23.6 million |
| | | 1% Incarcerated | 6.7 million |
| | | Guidance & Counseling | 19.9 million |
| Funds available FY84 at state and local for non-targeted program | $439.6 million | Available for FY85 at state and local for non-targeted program modernization= | $351.1 million |

IF CONGRESS PROVIDES NO NEW FUNDS, THERE WILL BE $88.5 MILLION LESS AVAILABLE FOR MODERNIZATION OF ONGOING PROGRAMS IN FISCAL YEAR 1985.

## STATEMENT OF STEPHEN J. KIND, PRESIDENT, SINGER CO.

Senator BURDICK. The next witness is Stephen J. Kind, the president of the Singer Co.

Mr. KIND. Thank you, Mr. Chairman.

Mr. Chairman, I am Stephen Kind, president of the North American sewing products division of Singer Co., and president-elect of the American Home Sewing Association. I am appearing before you today on behalf of the over 600 corporate and retail members of the American Home Sewing Association. I am accompanied by Mr. John Chwat, the association's representative in Washington.

Our association is the only organization which represents the entire home sewing industry in the United States, including such areas as fabrics, fibers, patterns, notions, trimmings, sewing machine manufacturing, retailing, wholesaling, and publishing.

Today the sewing industry generates over $3.5 billion in sales annually through 20,000 retail stores serving over 40 million home sewing consumers.

Mr. Chairman, the American Home Sewing Association appreciates the efforts by this subcommittee in recommending $31.6 million in fiscal year 1985 for consumer and homemaking education grants, and for preserving this important line item program within the Department of Education's fiscal year 1985 appropriation legislation.

This year we are again faced with another effort by the administration to eliminate consumer and homemaking education line item grants, and instead rely on a block grant program. In its fiscal year 1986 budget request to the Congress, the Department of Education proposed to consolidate consumer and homemaking education in an overall vocational education block grant and not support continuation of consumer and homemaking education as a discrete categorized program.

The continuation of Federal funding support of the Consumer Homemaking Education Grant Program is of great concern to our sewing industry constituency. If consumer and homemaking education, as one of the smaller items in the vocational education appropriations, loses its identity in the budget process then there is real concern that it will disappear entirely as a program which has meant so much to generations of Americans. It is to this specific concern that I address my remarks today.

Mr. Chairman, while we are at this time supporting a funding level of $31.6 million in fiscal year 1986 for the consumer and homemaking education portion of vocational education appropriations, we would like to request the subcommittee in its report to the Senate or in its appropriations with the Department of Education and the OMB to ascertain the types of programs funded under this category.

Despite the popularity of clothing and textile programs throughout the United States, we in the industry have a hard time understanding why the Department of Education does not maintain program descriptions on a State-by-State basis regarding how the funds are spent.

The Department's attitude, we believe, is directly contrary to the congressional intent and flies in the face of what other departments, notably the U.S. Department of Agriculture, have done in this area. Our industry had little difficulty obtaining clothing and textile information from the USDA's Extension Service.

For example, Dr. Greenwood, who is the Administrator of the USDA's Extension Service, provided our association with a 1984 report entitled "National Accomplishment Reporting System" from which we identified 20 States involved in the Extension Service textile and clothing projects. These States are listed in a chart attached to our statement. This chart shows that 163,000 participants produced an estimated net value of products worth $6.7 million. If all 50 States had the same type of extension sources, a number of participants, the estimated net value of products made would be $16.8 million. If all 50 States and participants were able to sell their sewing products made at home, the total tax revenue generated for the Federal Government would be approximately $3.3 million.

In summary, the American Home Sewing Association urges that the line item for consumer and homemaking education be preserved; the direction and program priorities encompassed in the Vocational Education Act, specifically the grants to States in several categories, including clothing and textiles, be preserved; that a $31.6 million funding level be established for consumer and homemaking education for fiscal year 1986; and, finally, that the subcommittee provide report language in the fiscal year 1986 Department of Education appropriations legislation that directs the Department of Education to describe in detail, for the Congress and the public, how the appropriated funds within the consumer and homemaking education line item, have been spent in the area of clothing and textiles, by the Department of Education and the States, both in terms of the past 3 fiscal years, and any projections for the future.

## PREPARED STATEMENT

Senator BURDICK. Thank you. Your statement will be placed in the record at this point.

[The statement follows:]

## STATEMENT OF STEPHEN J. KIND

Mr. Chairman and members of the Subcommittee, I am Stephen J. Kind, President of the North American Sewing Products Division of the Singer Company, and President-elect of the American Home Sewing Association. I am appearing before you today on behalf of the over 600 corporate and retail members of the American Home Sewing Association.

Our association is the only organization which represents the entire home sewing industry in the United States, including such areas as fabrics, fibers, patterns, notions, trimmings, sewing machine manufacturing, retailing, wholesaling and publishing. Today the sewing industry generates over $3.5 billion in sales annually through 20,000 retail stores serving over 40 million home sewing consumers. In addition, over 40,000 educators, junior and senior high school teachers, college professors, extension home economists and retail educators are actively engaged in sewing skill development.

All of these businesses and all of these people -- manufacturers, wholesalers, retailers, educators and consumers -- are the beneficiaries of educational programs that have taught sewing skills to millions of Americans and which, in turn, have created job opportunities for them and have enhanced the quality of their family life.

Mr. Chairman, last year the American Home Sewing Association was privileged to submit a statement before your Subcommittee. At that time, the association recommended the continuation of federal funding support for the consumer and homemaking education grant program at $43.5 million in Fiscal Year 1985. We also requested retention of this program as a specific line-item within the Vocational Education Act, which provides for grants to states in several program priority categories including "clothing and textiles." The administration had proposed to consolidate this program into a block grant, ignoring specific line-item program requirements.

Mr. Chairman, the American Home Sewing Association appreciates your efforts, those of this Subcommittee, and the support of Senator Lowell Weicker, Chairman of the Senate Appropriations Subcommittee, in recommending $31.6 million in Fiscal Year 1985 for consumer and homemaking education grants and for preserving this important line-item program within the Department of Education's Fiscal Year 1985 Appropriations legislation.

This year, we are again faced with another effort by the administration to eliminate consumer and homemaking education line-item grants, and instead rely on a block grant program. In its Fiscal Year 1986 budget request to the Congress, the Department of Education proposed to consolidate consumer and homemaking education in an overall vocational education block grant and "not support continuation of consumer and homemaking education as a discrete categorized program." The Department requested no funds for Fiscal Year 1986 for this line-item program, which we feel would produce a drop in the amount of funding available to states for consumer and homemaking, perhaps a decrease of as much as the full $31.6 million appropriated in Fiscal Year 1985.

The continuation of federal funding support of the consumer homemaking education grant program is of great concern to our sewing industry constituency. If consumer homemaking education, as one of the smaller items in Vocational Education Appropriations, losses its identity in the budget process, then there is real concern that it will disappear entirely as a program which has meant so much to generations of Americans. It is to this specific concern that I will address my remarks today.

While clothing and textiles represent a modest portion of the consumer homemaking education program, clothing is a basic necessity of life and so sewing and clothing-related programs take on an economic importance to our society that far exceeds other desirable but less fundamental programs. Sewing skills enable people to lower their expenses for clothing and to obtain income through utilization of their sewing skills by performing part- or full-time sewing related work.

People do not need extensive facilities or equipment to make clothes. Since sewing is a learned skill, however, people need to be taught the basic skills necessary to transfer design concepts and fabric into useful products either for their own use or for sale to others. Given the problem of high unemployment in some areas, the importance of providing programs that will serve the special clothing needs of targeted population groups through vocational education is critical.

Mr. Chairman, while we are at this time supporting a funding level of $31.6 million in Fiscal Year 1986 for the consumer and homemaking education proportion of vocational education appropriations, we would like to request the Subcommittee in its report to the Senate, or in its appropriations functions with the Department of Education and the Office of Management and Budget (OMB), to ascertain the types of programs funded under this category.

The Carl D. Perkins Vocational Education Act, which was signed by the President into law on October 19, 1984 (Public Law 98-524), continues federal assistance for vocational education for five years through Fiscal Year 1989. The Act authorized the Secretary of Education to continue to make grants to the states to assist them in consumer and homemaking education programs. One such program the Act included was "clothing and textiles".

Despite the popularity of clothing and textile programs throughout the United States, we in the industry have a hard time understanding why the Department of Education does not maintain program descriptions on a state-by-state basis regarding how these funds are spent. After repeated requests to the Vocational Education Division of the Department of Education, our association was told that there are "state accountability reports" on file at the Department, but that these reports are not available for public review and do not contain specific clothing and textile state programs. We were told to go to each of the 50 state vocational educational departments for this information. When we contacted various state offices, there seemed to be a total lack of programs in the clothing and textile area.

The Department's attitude, we believe, is directly contradictory to Congressional intent and flies in the face of what other Departments, notably the U.S. Depatment of Agriculture (USDA), has done in this area. Our industry had little difficulty in obtaining clothing and textile program information from the USDA's Extension Service.

For example, Dr. Greenwood, who is the Administrator of the USDA's Extension Service, provided our association with a 1984 report entitled National Accomplishment Reporting System, from which we identified 20 states involved in the Extension Service Textile and Clothing Projects. These states are listed in a chart attached to my statement. This chart shows that 163,445 participants produced an estimated net value of products worth $6.7 million. If all 50 states had the same type of Extension courses and number of participants, the estimated net value of products made would be $16.8 million. If all 50 states and their participants were able to sell their sewing products made at home, the total tax revenue generated for the federal government would be approximately $3.3 million. We think that the return from vocational education dollar in the area of clothing and textiles can yield proportinately higher returns, given the larger funding in the vocational education area.

In 1983 other USDA Extension programs resulted in over

563,000 young people in 4-H participating in clothing and fashion programs throughout the country. For example, in the State of Massachusetts, 350 people earned over $1.7 million in 1984 from the sewing products made at home after they participated in an Extension Service sewing education course. We believe this is a good record of citizen interest in this area.

We do not understand the attitude of the Department of Education. Out of the 3.1 million enrollees in federal-supported Consumer and Homemaking programs in 1981-82, the last "up-to-date" figures available from the Department was that over 9% of the enrollees participated in clothing and textiles programs, which makes it the third most popular program. However, our association believes that "clothing and textiles" programs are not receiving their proportinate share of funding from the federal grants, contrary to congressional intent.

The Congress should be able to review the types of expenditures made at the State level to determine costs and benefits of future federal appropriations. It would be most helpful to our industry, and I believe for state education officials, to review clothing and textile programs so that we can work together, at a state level, on cooperative education projects in the future.

Despite the lack of cooperation by the Department of Education, the sewing industry has been making efforts to provide adult educational programs, and our association maintains a close relationship with vocational education personnel around the country in the area of clothing and sewing instruction. Our association's Teacher's Service Division provides a communications network with over 40,00 home economics teachers throughout the country, and many of our corporate members maintain extensive in-house education departments which are active in consumer homemaking programs.

Although the industry is devoting money and solid efforts to the maintenance and expansion of sewing skills among consumers, the decision to eliminate the specific line-item of consumer homemaking in the budget would be most harmful to our efforts. In the legislative process, we urge that every effort be made to provide grants to states which shall be used to extend, expand, and improve consumer homemaking education. If adequate funds are provided for these grant programs, a greater portion of the population will benefit from the targeted courses.

Numerous careers in fashion, retail merchandising, fashion design, interior design, patternmaking, sewing machine repair and textile design, as well as tens of thousands of vocations in the garment industry, are based on sewing skills. If we are to hold true to the goals of expanding our economy and lowering unemployment, then we must continue to provide people with opportunities to learn skills that allow them to obtain jobs, earn extra income, and make their own clothing -- a basic necessity of life.

In summary, the American Home Sewing Association urges that:

1. The line item for consumer homemaking education be preserved;
2. The direction and program priorities encompassed in the Vocational Education Act, specifically the grants to states in several categories including "clothing and textiles," be preserved;
3. A $31.6 million funding level be established for consumer and homemaking education for Fiscal Year 1986; and
4. The Subcommittee provide report language in the Fiscal Year 1986 Department of Education Appropriations legislation that directs the Department of Education to describe in detail, for the Congress and the public, how the appropriated funds within the consumer and homemaking education line-item, have been spent in the area of clothing and textiles, by the Department and the States, both in terms of the past three fiscal years, and any projections for the future.

## SELECTED 1984 USDA-NATIONAL ACCOMPLISHMENT REPORTING SYSTEM REPORTS ON EXTENSION SERVICE STATE TEXTILE AND CLOTHING PROJECTS

| STATE | TYPE OF EXTENSION COURSE | PARTICIPANTS IN COURSES | ESTIMATED NET VALUE OF PRODUCTS ($) |
|---|---|---|---|
| Kentucky | Clothing Construction and Repair | 39,098 | 2,688,000 |
| Alabama | Clothing Construction | 2,304 | 101,049 |
| Connecticut | Clothing Workshops | 112 | 6,025 |
| Florida | Clothing Construction | 8,858 | 46,773 |
| Georgia | Repair and Alteration | 389 | 3,564 |
| Idaho | Clothing Construction | 3,700 | 80,000 |
| Maryland | Clothing Construction/ Sewing Machine Maintenance | 4,417 | 58,835 |
| Mississippi | Clothing Construction | 350 | 19,000 |
| Missouri | Clothing and Textiles | 15,269 | 1,267,327 |
| Montana | Clothing Construction/ Recycling | 891 | 60,700 |
| Nebraska | Sewing Machine USP and Care | 167 | 5,000 |
| New Jersey | Clothing Construction/Care | 1,570 | 16,434 |
| N. Carolina | Clothing Construction | 4,473 | 77,723 |
| Oklahoma | Clothing Construction and Repair | 325 | 32,297 |
| Puerto Rico | Sewing Techniques | 16,498 | 1,490,000 |
| S. Carolina | Clothing Construction and Repair | 7,018 | 90,106 |
| S. Dakota | Wardrobe Management and Clothing Construction | 5,339 | 255,631 |
| Tennessee | Clothing and Textile | 37,757 | 251,899 |
| Utah | Clothing Construction | 73 | 5,000 |
| Virginia | Clothing and Textiles | 14,837 | 177,444 |
| 20 States | TOTAL | 163,445 | $6,732.807 |

NOTE:
- If all 50 states had the same type of Extension courses and number of participants, the extimated net value of products made would be $16,832,000:
- If all 50 states and their participants were able to sell their sewing products made at home the total tax revenue generated for the federal government would equal around $3,366,400:

- Source for 20 State NARS reports, U.S.D.A., Extension Service

## STATEMENT OF JAMES GASHEL, DIRECTOR, GOVERNMENTAL AFFAIRS, NATIONAL FEDERATION OF THE BLIND

Senator BURDICK. Our next witness is James Gashel, director, governmental affairs, National Federation of the Blind.

Welcome to the committee, Mr. Gashel.

Mr. GASHEL. Thank you, Senator Burdick.

I am James Gashel and I am here representing the National Federation of the Blind. I am going to be talking about the job training programs, specifically those under title IV of the Job Training Partnership Act.

We are very concerned because we operate one of these programs, which is called job opportunities for the blind, and it operates in every State nationwide to assist blind people in finding competitive, unsubsidized employment.

Believe it or not, despite the fact that funds were appropriated for fiscal year 1985 in last year's Labor-HHS-Education-Related Agencies bill, this service may end on June 30, 1985, because of a sudden shift by the Department of Labor to a competitive grant award system, which I have described in my written statement.

The collapse of the Job Opportunities for the Blind [JOB] Program would be a real tragedy for the Nation's blind, but even more, it would be a tragedy for the taxpayers, and it would be false economy to boot. Here is why:

Every year, the JOB Program helps well over 100 blind people to find competitive and unsubsidized employment. Consider these facts. These individuals no longer receive Social Security supplemental security income benefits, food stamps, medical assistance, housing assistance, and related programs. Plus those individuals pay taxes.

Here are the economics. For an individual who does not work, the taxpayers will be tabbed to the tune of $6,000, on the average, per year, and that will be an expenditure which will continue year after year after year. Alternatively, for the blind individual who becomes employed, the taxpayers will benefit because that individual will join the pool of taxpayers and on the average pay approximately $2,000 in Federal income tax and FICA tax. So the net savings to the U.S. Treasury is $8,000 for the blind individual who works as opposed to living at public expense. If more than 100 of such individuals become employed in one year, then the net savings to the U.S. Treasury approximates $1 million. The Federal expense to operate the Job Opportunities for the Blind Program is less than one-fourth of that, so that is not a bad investment.

Beyond that, of course, there is the human side to the story, and I don't think that we should ever forget the fact that we are dealing with real individuals here.

In my statement, I have six or seven examples, but I will just use one, the case of a blind woman who became unemployed over 1½ years ago, and had real difficulty trying to find any kind of employment. She actually applied to another federally subsidized job training program, and they said that they would hire her, but then they apparently found somebody else, a sighted person. The commitment was all of a sudden gone and it was clear that the reason was that this individual who had applied is blind.

She was undaunted in her employment search, and with the encouragement of the JOB staff, she has persisted. American Airlines has now hired her to be a flight reservationist in Hartford, CT, and she will be taking your calls there and glad to make reservations for you.

It is an example of a blind person who would otherwise be unemployed were it not for this program. As I have indicated there are many more.

Mr. Chairman, what I am really saying is that JOB does not replace any other federally subsidized employment assistance program that helps individuals because JOB is the only nationally based program of national scope to help blind people obtain competitive, unsubsidized employment. The program, although it operates at a very small Federal expense, is significant and valuable in addressing the tremendous unemployment and underemployment problems of the blind.

The fact, both in financial and human terms, proves that bringing an end to such programs is clearly not in the public interest. Furthermore, ending programs that help people become productive is false economy today, and especially so in the future.

Thank you.

## PREPARED STATEMENTS

Senator **Burdick**. Thank you very much. We will insert your prepared statement in its entirety in the record, along with other statements for the record on appropriations for vocational education.

[The statements follow:]

## STATEMENT OF JAMES GASHEL

Mr. Chairman, my name is James Gashel. I am Director of Governmental Affairs for the National Federation of the Blind. My address is 1800 Johnson Street, Baltimore, Maryland 21230; telephone (301) 659-9314. Thank you for giving me the opportunity to appear before this Subcommittee as you consider appropriations for the Departments of Labor, Health and Human Services, Education, and other related agencies for Fiscal Year 1986.

I will begin with just a word or two about the National Federation of the Blind. We are the nation's blind who have organized to speak for ourselves. There is a state affiliate of the National Federation of the Blind in each state and the District of Columbia. We have local chapters in most sizable population areas. The vast majority of the Federation's more than 50,000 members are blind. The positions we take on public issues such as those being considered by this Subcommittee express policies and viewpoints reached by the blind themselves. Using the well-tested democratic traditions of our country, the nation's blind come together in the National Federation of the Blind to forge our own agenda of issues and common concerns. Then the decisions we have made must be implemented through action by Congress or other entities of government. In this way we, the blind, participate in making public policy affecting ourselves and the blind of the future, as well.

At the outset, Mr. Chairman, it is obvious that blind people are affected very substantially by a broad range of federal and federally assisted programs which fall within this Subcommittee's jurisdiction. Well over 100,000 blind people receive Social Security Disability Insurance payments and another 65,000 to 70,000 receive Supplemental Security Income checks. Approximately 40,000 or more blind children participate in federally-aided education programs through the secondary school level. Thousands too, obtain assistance through vocational rehabilitation, higher education, vocational education, and other related programs that are annually subject to your review and funding decisions. The record you will build through these hearings will contain information from the agencies and interest groups that are most vitally affected.

For the purpose of this appearance, I am going to restrict my remarks to funding for employment and training programs administered by the United States Department of Labor. We are very concerned that the Administration is seeking to end national employment and training programs including one we operate called Job Opportunities for the Blind (JOB). JOB and other national programs operate through funds appropriated for Title IV of the Job Training Partnership Act (JTPA). During Fiscal Year 1985, before spending cuts were made by the Department of Labor to implement Section 514 of the Treasury, Postal Service and General Government Appropriations Bill Congress had appropriated $20.7 million for Pilot and Demonstration Programs which include activities such as JOB. President Reagan signed that bill (the Labor, Health and Human Services, Education and Related Agencies Appropriations Bill) into law last year. But ever since, the Administration has attempted to whittle away at the funds which you in Congress had approved. First came the deferral of $7.3 million which DOL applied under authority of Section 514 of the Treasury, Postal Service, and General Government Appropriations Bill. Then came the recission request of $8.6 million. Before you know it, the pilot demonstration account is (or would be if Congress approves) reduced to $4.8 million from an original $20.7 million appropriated last fall.

Now comes the budget for FY 1986 which calls for eliminating the nationally administered employment and training programs altogether. We hope you will reject the President's budget in this respect. Department of Labor witnesses have told you that the National Pilot and Demonstration Programs generally do not perform direct services to individuals in need of employment assistance. But, when JOB ends its current grant on June 30, 1985, more than 550 blind individuals will be working in jobs they would likely not have obtained without direct assistance from this program. In most instances, the individuals JOB helped did not know that the jobs they ultimately got were available. Furthermore, the JOB program provided these blind jobseekers with their principal source of job leads, and in some cases the exclusive source.

On June 30, 1985, JOB's employment assistance for the blind may actually end despite the fact that appropriations were granted for these pilot and demonstration programs as part of the bill you passed last fall for Labor, HHS, Education, and Related Agencies. DOL acknowledges that JOB and other national employment programs serving the handicapped are effective. However, a decision will apparently be made to use a competitive grant award process rather than continuing to support these known programs that work. Since the terms of the competition are not known, and the criteria upon which all proposals will be judged is uncertain, we cannot assume that JOB (at least in its current form) would qualify for a new grant beginning July 1, 1985. But even if DOL decides to continue this program (either through sole source or competition) for another year, it appears it would be the last year unless Congress specifically directs DOL to continue these National Pilot and Demonstration Programs.

Continuing JOB represents sound economics. Here are the facts. This program operates on a budget of approximately $250,000 annually. That investment, though, results in a net savings in two ways. The first is that the 100 or more blind people who obtain employment with JOB's help in the course of one year are no longer eligible for the Social Security, SSI, and related medical assistance and food stamp programs. The second savings comes through adding back in revenues the taxes paid by the newly employed blind people who were helped by JOB. In the first instance, the taxpayers save approximately $6,000 per year for each blind individual who works as opposed to being supported at public expense. Then in the second instance, the average working blind person would pay back to the U.S. Treasury approximately $2,000 per year in federal income tax and Social Security contributions. The combined effect of these calculations tells us that each working blind person yields about $8,000 in federal savings per year. Then, if 100 or more blind individuals become employed as opposed to unemployed we (the taxpayers) have saved somewhere between $800,000 and $1,000,000 per year. Federal assistance to operate JOB is less than one-fourth of this amount. That's not a bad investment, indeed.

But the figures, of course, do not, alone, tell the story. I hope we will never get to the point in our country where we forget the human side of what these programs actually do for people. Here are some examples of how JOB helps.

Miss A is a blind woman living in Connecticut. She was laid off from her job approximately a year and one half ago. Since that time she has been registered with the JOB program and has been actively seeking work. She is highly motivated, articulate, and competent. Yet employers were reluctant to hire her. At one point she was offered a job. She was actually given a starting date. But the week before she was expected to report to work the job fell through. The employer (a federally-assisted job training program) had found someone else, never mind the commitment to hire Miss A. It was clear from the employer's comments that blindness was the reason.

But with the help of JOB, Miss A was undaunted in her employment search. Several months ago, she applied for a job with American Airlines to work at a flight reservations office in Hartford. They were impressed by her skill and wanted to hire her. Yet they didn't know how a blind person would do the job. Miss A talked with JOB staff about methods used by blind people doing airlines reservations or similar work. JOB had worked with several people in this field. The experience was helpful. We also talked with the employer and encouraged them to let Miss A lead the way in developing alternative techniques. They did and she did. Miss A is now completing her training as an airline reservationist. She will shortly begin work in the Hartford reservation office for American Airlines.

Miss B lived in South Carolina and had training in computer programming. However, she was having trouble finding employment. She went to New York to learn how to operate a variety of devices that would make computers more accessible to her as a blind person. She was concerned about making the change and asked JOB to put her in contact with a volunteer who could help her adjust to the larger city. We found a JOB volunteer who helped her get acquainted in the city. The volunteer also gave her information about job leads and talked with her about methods of conducting interviews. Miss B's application was then circulated in a bulletin sent to employers. As a result of all this and her own hard work, Miss B has now been employed as a computer programmer for the New York City Port Authority.

Mrs. C was a member of the JOB Volunteer Field Service Network living in Oregon. When she married and moved to Alaska, she faced unemployment. She had a bachelor's degree and had worked as a public service representative for her local telephone company. She had no official training in personnel work. However, Mrs. C had studied our material carefully and had helped many JOB applicants learn the skills for seeking employment. She applied her knowledge of personnel matters when she sought a job with the Bureau of Land Management. The agency was impressed by her knowledge and hired her as an equal employment officer in the personnel department.

Mr. D lives in Oregon and has been unemployed for more than a year. A member of the JOB Volunteer Field Service Network told him about a vacancy with the Oregon Client Assistance Program. Mr. D used the knowledge he had gained from working with the volunteer in his state and from reading material provided to him by Job Opportunities for the Blind to apply for the job. He was hired in January of 1985.

Miss E is a blind diabetic who is on kidney dialysis. She is a trained teacher and wanted very badly to continue working, but she thought her health would prevent her from doing so.

A JOB volunteer in New Mexico, where Miss E lives, knew about a vacancy in a hospital school for severely ill children. Miss E applied for the job and met the qualifications, but the medical officer for the school district was reluctant to hire her. Our volunteer worked with the school district and urged them to give her the opportunity. She was then hired and has been working for more than a year.

Mr. G lived in Vermont and wanted to move to Connecticut. He got in touch with a JOB program and we put him in contact with a volunteer there. The volunteer helped him find out about listings and locate an apartment in Connecticut. One of the vacancies was an opening for a switchboard operator/reporter for the Hartford Current. Mr. G applied for the job and was hired half-time. His hours have since been increased to full-time. The employer is so pleased with his work that they are considering hiring another blind person for a similar position.

Mr. Chairman, these individuals and the many more we work with through JOB have benefited enormously from a relatively small federal expenditure which brings employment help to blind people everywhere in our country. JOB does not replace any other program. Rather, it is the only such effort of national scope. JOB supplements other programs currently limited by state or local jurisdiction and funding requirements. JOB's work to help blind people find competitive, unsubsidized employment is a modest, yet significant and valuable role for the federal government to play in addressing the severe problems of unemployment and underemployment that prevail among our nation's blind. But the future of JOB and similar efforts is in your hands. We appreciate the interest you have shown in these programs in the past and hope it will continue both now and in the future. Mr. Chairman, I thank you for the opportunity to present this statement and to express our view that the services now performed for blind job seekers by JOB should be continued. The facts (both in human and financial terms) prove that bringing an end to such programs is clearly not in the public interest. Ending programs that help people become productive is false economy today and dangerously so for the future.

## STATEMENT OF MARY BETH STINE, HOME ECONOMICS TEACHER, FLORA HIGH SCHOOL AND VICE PRESIDENT, HOME ECONOMICS DIVISION, AMERICAN VOCATIONAL ASSOCIATION

I am Mary Beth Stine, Vice President of the Home Economics Division of the AVA and a secondary classroom teacher for 26 years in Flora, Illinois. I am here representing the Home Economics Division membership of the AVA and secondary classroom teachers across the United States.

On behalf of 50,000 home economics teachers, 350,000 Future Homemakers of America members (Home Economics student youth organization), other vocational home economics educators, and vocational education students, I want to express appreciation for your tireless support for vocational education; for your recognition of the value of the occupation of homemaking; and for the opportunity to appear before you today to voice concern for the future of vocational education, particularly Consumer and Homemaker (Homemaking in the previous law P.L. 94-482 and in the impending Technical Amendments) Education programs.

The administration's budget proposes to terminate funding for Consumer and Homemaker Education (Title III, Part B) by shifting these funds to the Basic State Grant (Title II, Part A). The Consumer and Homemaker Education (C&HE) program was discussed at all levels during the reauthorization process, and both the Senate and House supported Title III, Part B as an integral part of the Carl D. Perkins Vocational Education Act (P.L. 98-524). This proposed transfer appears to be an attempt to alter the intent of Congress

> CONSUMER AND HOMEMAKER EDUCATION SHOULD REMAIN IDENTIFIED AND FUNDED AS A SEPARATE CATEGORY IN THE VOCATIONAL EDUCATION ACT.

The reason for this request is that Consumer and Homemaker Education is a unique facet of Vocational Education because it prepares for the occupation of homemaking. The occupation of homemaking is now considered a legitimate occupation and has been included in the dictionary of occupational titles. Its economic value of a homemaker has been estimated to be over $47,000 annually. The recognition of the relationship of a well-run home and a quality life definitely influence the economic stability of the country.

The Carl D. Perkins Act continues to identify Consumer and Homemaker Education as a separate category. It is authorized for separate funding. Since it is not an occupation for which wages are paid, nor is there an employer, it is not consistent with requirements and objectives of the Basic State Grants (Title II, Part A). Therefore, it is not possible to assist Consumer and Homemaker Education programs out of the Basic State Grants.

The Administration has proposed to freeze all vocational education funding. Within this budget proposal, Consumer and Homemaker Education would be deleted. It is on this point which I would like to focus because I hope we all share the same concerns.

Ever since 1917, with the adoption of the Smith-Hughes Act, home economics has been partially supported by the Federal government. The societal benefits of quality home economics instruction has always been acknowledged, and Federal funding has reflected this. Consumer and Homemaker Education was granted separate line-item authorization for a purpose. The purpose was to ensure that these vital programs not be neglected.

The Administration's proposal to eliminate the categorical funding of Consumer and Homemaker Education and transfer the funds to the basic state grants denies these programs the special status they merit. The basic grants support a variety of activities, and it is certain that in the competition, Consumer and Homemaker Education would lose out in many states. The programs in economically depressed areas would most likely be forgotten, as now funding for almost all of the Consumer and Homemaker Education programs in that area are necessarily provided by Federal funds.

Why has Consumer and Homemaker Education been targeted for such an unjust termination of funding? The Consumer and Homemaker Education programs have consistently met the objectives set for them by Congress. Even more impressive is the fact that the programs have continually been improved, expanded, and updated to meet current needs of society. These programs have served to promote the elimination of sex role stereotyping by encouraging participation of males and females to prepare for the combined roles of homemakers and wage earners. The establishment of outreach programs to meet the needs of special populations such as the aged, the handicapped, the single parents, and the disadvantaged is another positive accomplishment of the Consumer and Homemaker Education programs.

The people who derive the most benefits from the Consumer and Homemaker Education programs are those who are expected to suffer from a lack of knowledge about making sound decisions as consumers or performing homemaking functions effectively. They are often from disadvantaged backgrounds and should not be denied this vital training as to the basics of day-to-day living. It is imperative that we have a population well-educated in consumer education and personal financial management, nutrition education, family living and parenting, child development, housing, and home management. The social benefits of the knowledge provided by Consumer and Homemaker Education far outweigh the monetary costs.

In the Administration's report on the budget proposal, it is said that "Consumer and Homemaker Education is not a Federal priority." Yet, President Reagan elevated homemaking and the family to a national priority in his State of the Union Address when he stated, "Our progress began not in Washington, D.C., but in the hearts of our families, communities, workplaces, and voluntary groups which, together, are unleashing the invincible spirit of one great Nation under God...For an America of wisdom that honors the family, knowning that as the family goes, so goes our civilization." (Reagan, February 6, 1985)

Home Economics is the only subject area within the educational setting which has the individual and the family and the interactions between the family and the greater environment in which the family operates as its central focus. The family is truly the heart of Consumer and Homemaker Education! Research continues to note that the connection between work and family is vital to the well-being of individuals and of the nation as a whole. The worker's "quality of life" greatly influences his or her job satisfaction and productivity. Work in the home continues to be a major factor in determining the strength of the labor market. Skills and competencies taught in Consumer and Homemaker Education are critical to this quality of life. Indeed, the importance of family to individuals cannot be over-emphasized. A recent Gallup Poll reports that when asked to name the most important thing in their lives, 90% of those polled answered, "my family".

The families in our nation are being buffeted by social and economic forces over which they have little or no control. Unemployment has created great stress on families when bread winners' wages are greatly curtailed or become non-existent. The typical family of two parents, two children, full time homemaker, and working father is actually a minority now. Only 13 percent of the nation's families fit this category. The number of one parent families doubled between 1970-1984 with 20 percent of the nation's children now living in a one parent family. Nearly half of all married women with children under six are in the labor force. Presently, one out of two marriages ends in divorce. Children in single-parent families headed by women have a fifty-fifty chance of living in poverty. Between 35 and 46 percent of the children who grew up in the 1970's will live in a single-parent family by the time they reach 18 years of age. Close to 500,000 divorced U.S. fathers are now rearing children without the help of a wife. Seventy percent of the women between 24-44 are in the labor force.

Women continue to move into the work force in an ever increasing number. By 1990 this number should reach approximately 52 million. Contrary to popular opinion, the majority of these women are working out of economic necessity rather than strictly personal desire. Even though women have moved into the work force, they continue to be the principal workers in the home. Thus, they now have assumed multiple roles - homemaker, parent, and wage-earner. Research indicates that no matter whether the homemaker is a full time homemaker or is employed outside the home, the other members of the family spend less than one hour per week doing household work. These are forces over which the family has little or no control. Consumer and Homemaker Education, as does all home economics, works in a preventive educational mode rather than a corrective, remedial mode to aid families in managing these problems.

> WE REQUEST THAT YOU REINSTATE CONSUMER AND HOMEMAKER EDUCATION AT A FUNDING LEVEL OF 32 MILLION OR MORE AS AUTHORIZED IN TITLE III, PART B OF THE CARL D. PERKINS VOCATIONAL EDUCATION ACT (P.L. 98-524).

It is important to understand how the federal dollar is spent on Consumer and Homemaker Education in the states. The federal dollar is the catalyst that makes change happen, and it helps contribute to the quality of programs. It is used to initiate new and innovative activities directed toward national priorities. It is used for leadership, research, exemplary projects, curriculum development, and training activities.

Consumer Education is the common thread that runs through all Consumer and Homemaker Education programs teaching students to solve problems that arise in areas of feeding, clothing, housing the individual and the family, rearing children, and maintaining satisfying human relations. Consumer and Homemaker Education teaches students goal setting, management of time, planning work with reasonable objectives, efficient work habits, and interpersonal skills that allow one to communicate with a variety of people. Management skills that are related to money, energy, dovetailing work responsibilities that are learned in Consumer Homemaker Education allow an individual to be more productive in the work force.

Studies show that homemakers' skills are transferable. Colleges are even granting credit for this, and employers are now allowing an application to reflect this unpaid work experience such as volunteering in the community and assuming responsibilities in the home such as bookkeeping. Consumer and Homemaker Education contributes to excellence in education through practical application of basic academic skills.

Consumer and homemaking programs have historically served the largest number of disadvantaged and minority persons of any program in Vocational Education. In a recent research project entitled "Study of the Effectiveness of Secondary Consumer and Homemaker Education", the areas mentioned most often as being helpful to students in the occupation of homemaking were: budgeting, family stability, conservation of energy, nutrition, employment and economic growth, and serving the disadvantaged and handicapped. Some of the students' comments from this study follow:

1. A Hispanic female, 1977 graduate from high school, stated, "I learned leadership skills through homemaking and Future Homemakers of America. These have been very helpful in my work."
2. A black male, 1980 graduate from high school, said, "I learned how to make decisions facing me as a parent, and I also understand my parents better."
3. A white female, 1980 graduate from high school, stated, "Consumer and Homemaker Education helped me with my personal finances. Future Homemakers of America was helpful in leadership development.
4. A black male, 1977 graduate from high school, stated, "Consumer Homemaker Education gave me a better understanding of managing my money. It also helped me in selecting clothing to meet my needs. Child Development helped me during my employment at a state hospital. I worked with adolescent children in their development, growth, and behavior."
5. A black female, 1981 graduate from high school, said, "I have used my consumer knowledge in managing my home and budget. I also feel I'm a better parent and housekeeper."

In a recent study on Consumer and Homemaker Education, the program was given high marks for the outreach programs. Programs focusing on consumer and homemaking skills are being "taken to the people" whenever they can be reached in groups. This technique is used especially in depressed areas where individuals are reluctant to come to the school for adult classes. One of the oldest outreach programs that has been offered by Consumer and Homemaker Education programs may be found in public housing developments.

In Illinois adult Consumer and Homemaker Education programs (CHEP) for low-income adults were conducted in housing projects with emphasis on consumer management skills. Over three thousand low-income families have been served. Seventy-eight percent of the families served represented minority groups.

In my opinion, the purpose of federal vocational education support is at least three-fold. Such support enables the federal government to cooperate with the states to address both economic and social priorities by providing quality vocational education programs, including Consumer and Homemaker Education.

Secondly, extra services required to enable special population groups to succeed in vocational education have only been available because of federal funding. These costly extra services required to train disadvantaged and handicapped students will be eliminated if federal support drops.

Thirdly, the federal role is necessary to direct resources to national priorities that otherwise would receive less than adequate attention.

At the present time many of these priorities are based on increasing the productive capacity of the American economy. Consumer and Homemaker Education programs must continue to impact upon work-family concerns since no other academic area can solely relate to worker productivity and the economy via family stability.

Mr. Chairman, I would like to thank you for this opportunity to meet with you and this subcommittee to discuss reinstating the 32 million for funding Consumer and Homemaker Education in Title III, Part B of the Carl D. Perkins Vocational Education Act. This would not increase the level of funding for vocational education; rather it is placing funds where Congress intended them. We are not asking for additional funding--only categorical funding for Consumer and Homemaker Education as it was authorized by Congress.

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## STATEMENT OF DR. ROBERT E. TAYLOR, EXECUTIVE DIRECTOR, NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION, OHIO STATE UNIVERSITY

Thank you, Chairman Weicker and members of this Subcommittee, for providing us with this opportunity to update you on The National Center as part of vocational education program improvement, and to report on our stewardship and continuing need for public funds. We appreciate your continued support of our efforts to advance the quality and responsiveness of vocational education programs throughout the nation.

The National Center for Research in Vocational Education and other national programs provide unique leverage for improving, strengthening, and extending vocational education. Our programs represent the most appropriate and effective strategy for fulfilling Congressional intent, assuring program improvement, and providing improved data for policy and operational decisions for vocational education. In addition to influencing the character and quality of federal investments, our programs also have an impact on the state and local dollars that significantly overmatch each federal dollar.

The National Center and other national programs are cost effective since they eliminate duplicate costs and accelerate program improvement by providing essential research, development, training, information for planning and evaluation activities that are relevant and useful nationwide. As increased constraints are experienced by the states in providing essential services, the role of the National Center is increasingly important as a means of sharing information on program improvement investments in the states and in providing research and development and leadership development. Recognizing this pivotal role, the National Center has consistently received the support and endorsement of the National Association of State Directors of Vocational Education, the American Vocational Association and other vocational education groups.

The key point that I want to convey to you today is that R&D activities are making a difference in vocational education program quality, labor market relevance, and equity, and that we have in place elements of a nationwide program improvement capacity that is increasingly responsive to both national priorities and local needs.

## Vocational Education National Programs

Before speaking to you about the National Center, I want to mention some other key elements of vocational education national programs provided under the Carl D. Perkins Vocational Education Act.

The Secretary (of Education) supports applied research and development through contracts and grants on aspects of vocational education related to this Act, and also develops, within the National Center for Education Statistics, a national vocational education data reporting and accounting system that includes information on vocational education students, programs, placement and follow-up, staff, facilities, and expenditures. There is also established a National Occupational Information Coordinating Committee (NOICC) that provides information useful for career decision-making, as well as for planning occupational training programs. Finally, the President appoints a 17 member National Council on Vocational Education to advise the President, Congress, and the Secretary on the effectiveness of national vocational education programs, strategies to increase public-private cooperation, approaches to retraining adult workers, and other aspects of job training nationwide. Collectively, these programs provide an essential and balanced means of achieving congressional intent and improving Vocational Education nationwide.

Further, the Carl D. Perkins Vocational Education Act establishes the following minimum funding levels for these key national programs: National Center for Research in Vocational Education - $6.0 million, Occupational Information System - $3.5 million and the National Council on Vocational Education - $500,000.

## The National Center for Research in Vocational Education

The National Center was the most comprehensive program improvement effort mandated under Programs of National Significance in the Vocational Education Amendments of 1976. The Carl D. Perkins Vocational Education Act of 1984 strengthens and expands the provisions for the National Center, stating that the primary purposes of the National Center shall be the design and conduct of research and development projects and programs, including longitudinal studies. The role of the National Center is to address problems of national significance and to help build a nationwide program improvement capacity for assuring quality, relevance, and equity in programs of vocational education. The rationale for the National Center grows out of the recognition that there are nationally significant problems that require sustained and comprehensive inquiry. This rationale recognizes the several benefits including (1) cost effectiveness, (2) a full-time multi-disciplinary staff, (3) a critical mass of resources directed at key problems and issues, and (4) interdependence of functions.

The National Center, just completing 20 years of operation, has fulfilled its role by carrying out six functions specified by the Congress. Under the new Law, we are to continue those six functions, briefly outlined below:

1. Applied Research and Development is concerned with designing programs and materials to assist practitioners in career planning and vocational preparation of individuals who are in school, or who are entering or already participating in the work force. Programs are designed to fulfill the needs of such areas as special populations, performance-based education, basic skills, and equity/access. Our R&D function has been expanded by the recent Law to include 5 major priority areas of need. They are:
   - o effective methods for providing quality vocational education to handicapped individuals, disadvantaged individuals, men and women in non-traditional fields, adults, individuals who are single parents or homemakers, individuals with limited English proficiency, and individuals who are incarcerated in correctional institutions;
   - o the constructive involvement of the private sector in public vocational education;

- o successful methods of reinforcing and enhancing basic skills in vocational settings;
- o the development of curriculum materials and instructional methods relating to new and emerging technologies, and assessments of the nature of change in the workplace and its effect on individual jobs; and
- o the identification of institutional characteristics which improve the preparation of youth and adults for employment.

While this constitutes a change in the specifications for the National Center's research functions in the Law, most of the primary areas listed are currently being addressed.

2. Leadership Development programs enable vocational educators to deal creatively and effectively with significant issues, problems and concerns, and to benefit from the latest findings of research and development. This is achieved through a full-time In-residence Program, that affords opportunities for in-depth individualized study at the National Center, ranging from one week to one year. The Conference/Workshop Program, conducted at locations throughout the country, provides programs of professional development to thousands of educators and private sector trainers annually relating to personnel and program needs.

   In 1984, we conducted 117 events in thirty-five states, the District of Columbia, and the Virgin Islands. Five thousand, nine hundred and forty-five state and local leaders from fifty-six states and territories attended these sessions.

3. Dissemination and Utilization is responsible for developing and coordinating a collaborative nation-

wide dissemination and utilization network to facilitate the use of vocational education research and development products and information in an effort to improve program quality and reduce duplication of effort. It provides leadership through training and liaison to state and regional research and curriculum leadership personnel.

4. Information for National Planning and Policy Development is information needed on the effects of vocational education as it relates to the experiences of vocational graduates in the labor market. Factors such as participation in the labor market, employment and unemployment rates and wages and annual earnings are essential to policy development and the ultimate improvement of vocational education. Noneconomic outcomes, such as further education, community service participation and voting rates, and graduates' satisfaction with their school and job experiences all provide insight into the general quality of life of vocational education graduates.

5. The National Center Clearinghouse builds, maintains, and makes publicly accessible, online databases of information about vocational education program improvement projects and curriculum materials that are funded by the states. In addition, the function serves as a clearinghouse for military developed technical training materials suitable for use in civilian occupational training programs, to make vocational education curriculum materials available through online databases, to ink the vocational education community through an electronic communications network, and to publish abstracts of program improvement projects completed and underway.

6. Planning and Evaluation includes working with states,

local education agencies, and other public agencies in developing methods of planning and evaluating programs, including the follow-up studies of individuals who complete programs so that such agencies can offer vocational education programs which are more closely related to the types of jobs available in their communities, states, and regions.

### New Mandated Tasks for the National Center

The Carl D. Perkins Vocational Education Act requires the National Center to fulfill two additional roles. The new areas are:

1. To provide technical assistance to programs serving special populations, including the handicapped and individuals with limited English proficiency. This will be achieved via a number of technical assistance services including: response to inquiries utilizing a toll-free telephone service, the availability of on-site individualized training programs, full access to three national clearinghouses, and other programs for professional development such as workshops and conferences.
2. After consultation with the National Commission for Employment Policy, report annually to the Congress, the Secretary of Education, and the Secretary of Labor on the extent, efficiency, and effectiveness of joint planning and coordination under this Act and the Job Training Partnership Act (JTPA). This will include an assessment of communications, joint planning, and resource sharing between agencies.

I will be reporting on some of our major efforts under the six continuing functions as they relate to the priorities of the Law.

## National Center Contributions to Priorities of the New Law

Throughout the Carl D. Perkins Vocational Education Act, a number of priorities and concerns emerge that have and continue to be addressed by the National Center. These include: (1) access and equity; (2) involvement of the private sector in public vocational education; (3) teaching basic skills; (4) developing methods and materials related to new technologies and the changing workplace; (5) identification of institutional characteristics that improve employment preparation; (6) adult training and retraining; (7) coordination of local, state and federal employment training and economic development programs; (8) vocational education for individuals with limited English proficiency; (9) career guidance and counseling; (10) programming for handicapped, disadvantaged, incarcerated, and older students; (11) consumer and homemaking education; and (12) professional development to increase the competence of vocational education teachers, counselors, and administrators.

I have chosen four of these priorities to discuss in detail, showing that we have anticipated these emphases and already made significant progress in these areas, and have products and services available to assist the field. All six National Center functions - Applied R&D, Leadership Development, D&U, Planning and Evaluation, Planning and Policy, and Clearinghouse apply to each issue, as can be seen by the products and projects mentioned.

Access and Equity means providing equal career development and training opportunities for all, regardless of sex, nationality, native language, handicap, economic status, age, place of residence, or other special circumstance.

Programs have dealt with equity issues such as: career and vocational education programs for female, handicapped, and disadvantaged students; assisting handicapped youth in their transition from vocational education to employment; a guide for administrators to equitable opportunity in vocational education;

adult education for the handicapped; entrepreneurship for women; a futures agenda for equity; a resource guide for vocational education teachers to help special needs learners; extending the benefits of vocational education to Indian populations; unlocking nontraditional careers; the development of individualized education programs (IEPs) for the handicapped in vocational education. A handbook for corrections educators deals with evaluating vocational education programs for the incarcerated.

During the past year, we have worked on several projects that address the priority of access and equity. We developed a set of 30 instructional booklets to assist the learning disabled, the emotionally disturbed, and the mentally retarded in (1) acquiring information about a variety of entry-level, mathematics-related occupations; (2) becoming aware of basic mathematics concepts and skills required in these occupations; (3) practicing the application of these skills through the performance of occupational skills; and (4) considering the educational and training requirements for occupations of interest. Another project involved working to increase the capacity of volunteer and parent organizations to recruit and effectively train volunteers to assist handicapped youths in becoming independent and employed. Currently we are involved in a project to implement peer tutoring in the vocational classroom, and another on assessment and other strategies on the "intake" of a variety of adult education programs and populations. An additional project will update a guide for state sex equity personnel, and another will produce a guide to providing support services for special populations.

Private Sector Involvement and Partnerships includes constructive cooperation of the private sector and the public vocational education system. An example of our work often cited is industry-education partnerships for training in high technology occupations.

Over a dozen National Center programs in recent years deal

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with these partnerships. They cover such topics as: linkages between vocational education and organized labor; collaboration with the private sector in career education; employer-sponsored skill training; business, industry, and labor input in vocational education; organized labor education and training programs; and evaluating employer satisfaction: measurement of satisfaction with training and job performance of former vocational education students.

Some examples of projects in the past two years that have dealt with the area of partnerships are: Involving Business, Industry, and Labor in Evaluating and Planning Vocational Education; An Analysis of Policy Options for Private Sector Involvement with the Vocational Community; Building Partnerships for Quality Education in Rural America; and The Private Sector Youth Connection. Other studies have worked with private sector employers in studying hiring decisions, job performance standards, and such concerns as whether vocational education increases productivity, or lessens the need for on-the-job training. Vocational education and private businesses have developed various other creative partnerships such as arranging for students to shadow professionals, exchanges of staff between business/industry and education, and using existing educational systems to provide support for employer-based training programs.

Basic Skills need to be reinforced and enhanced in vocational settings. Analytical and communicative skills are not solely the responsibility of academic courses, but are in fact, taught effectively in the more practical, applied environment of vocational instructional settings.

Of the many National Center programs concerning basic skills and literacy, perhaps the most exciting are the six performance-based teacher education modules designed to train instructors in Assisting Students in Improving Their Basic Skills. Included are basic reading, technical reading, writing, oral communication, math, and survival skills.

Current and recent projects have approached this issue in
rious ways. One project considered alternative learning
vironments or pathways for basic skills development, and other
lated projects analyzed students' basic skills performance in
lected instructional delivery systems. An information analysis
oject was concerned with technological literacy and basic
ployability skills in the future. The final phase of a project
adult literacy skills required for training for the workplace
ll concentrate on industrial-based literacy programs. The
eviously mentioned mathematics project for handicapped students
also pertinent.

Adult Training, Retraining and Employment Development is a
ry broad area that includes strategies for local, state, and
deral vocational education, employment training, and economic
evelopment programs to maximize their efficiency for improved
ployee training.

Literally dozens of National Center programs have dealt with
hese issues. Many focus on adult education practices and
rograms, while others consider economic development strategies,
roductivity, reindustrialization, and other broad concerns that
pinge on our occupational training systems.

A three-year effort at the National Center is dedicated to
erving the needs of displaced workers. The first project was
identify resources and practices needed to assist dislocated
orkers. The second and third years' work have focused on stra-
egies to facilitate the postemployment adjustment of dislocated
orkers. Our aim is to develop a continuing capacity for serving
hese needs rather than reacting on a crisis basis. Another
elated effort provides methods and materials for entrepre-
eurship education for displaced adults. We have a study that
etermined training implications of job redesign and work
mprovement projects, and are currently developing a systems
pproach to adult career development, assessment, and planning.

The National Center has developed a set of sixteen bibliographies dealing with the priorities of the Carl D. Perkins Vocational Education Act. Each lists National Center products that treat the issue as well as additional resources available through the ERIC system. The full set includes 247 Center products, and 107 other items.

Funding Request for FY-86

Consistent with Title IV, National Programs, and Part A, specifically Research, Section 404, The National Center for Research in Vocational Education, P.L. 98-524, we are requesting that the FY-86 appropriations level be commensurate with the authorization. The authorization provides that the Center be funded through an annual grant, with a funding level of at least $6,000,000.

If we are funded at the minimum level, we will need to phase out our activities in the Advance Study Center, cut back in certain areas of inquiry, and re-direct other resources, to be able to carry out our assigned functions and begin work on the additional tasks and expanded research agenda specified in the new law.

We request your earnest consideration of this funding level in supporting the National Center to carry out the important tasks assigned by the Congress.

## SUBCOMMITTEE RECESS

Senator **Burdick**. The subcommittee will stand in recess until Tuesday, May 14, when we will meet again here in room SD-116 at 9:30 a.m. to hear from public witnesses on rehabilitation, Social Security Administration, and the Office of Human Development Services.

[Whereupon, at 12:32 p.m., Thursday, May 9, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, May 14.]

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# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1986

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TUESDAY, MAY 14, 1985

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 9:45 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Lowell P. Weicker, Jr. (chairman) presiding.

Present: Senators Weicker, Specter, and Harkin.

## NONDEPARTMENTAL WITNESSES

### REHABILITATION SERVICES AND HANDICAPPED RESEARCH

### STATEMENT OF ELMER CERANO, ASSOCIATION OF RETARDED CITIZENS

Senator WEICKER. The subcommittee will come to order.

This morning, we will be hearing first from public witnesses on rehabilitation, following by the Social Security Administration, and Office of Human Development Services.

Again, I would just like to remind all of those who are testifying please be good enough to follow the system of keeping their statement to 4 minutes, with the green light being start, the yellow light a warning, and at the red light please end your statement. This is not so much an accommodation to the Chair, but it is an accommodation to your fellow witnesses in order that everybody might be heard this morning, and there is a very long list.

I will be very frank, I really get embarrassed gaveling anybody down. It makes it rather awkward, and I would appreciate it if everybody would take it on their own shoulders to finish their statement when they see the red light.

Our first witness is Mr. Elmer Cerano of the Association for Retarded Citizens.

Mr. CERANO. Good morning.

Senator WEICKER. Good morning to you.

All statements will be included in the record in their entirety.

Mr. CERANO. Mr. Chairman, I am Elmer Cerano. I am the executive director of the Association for Retarded Citizens of Maryland, and I am speaking today on behalf of the Association of Retarded Citizens of the United States.

You have written testimony, and I won't read it, but there are some things that I do want to stress.

The association is a private, nonprofit organization dedicated solely to improving the welfare services for mentally retarded people.

I want to first thank you for your efforts and the additional money that was added to the 1986 appropriations. Your energies and your support have really been appreciated. Thank you.

The association wants to urge Congress to continue the funding levels of services that have been available in the last few years and have helped us to move toward allowing mentally retarded people the full benefits of services that can work to decrease the impact of their disability.

We are fully aware of the political and economic realities of the 1980's, but we also are not apologizing for the population that we represent or for the needs that they have. It seems that times are never good enough to really address the needs of people with mental retardation or their families.

Mentally retarded people wait. They wait for better economic conditions. They wait for different political climates. They wait for everything. They wait for therapy. They wait for special education training. They wait for teacher certification. They wait for infant stimulation programs. They wait for transitional programs. They wait, and they wait, and they wait, and they lose valuable time that is needed in that whole educational cycle, that whole learning cycle.

There is a direct relationship between the funding level at the Federal level and the funding and State and local programs. Last summer I had the opportunity to speak to a graduating class over in Charles County, MD, a special education graduating class. There were about 20 people in the class, and only 1 of them had any continuing program after graduation. It was a happy occasion for most of the people there, but I had to give them the real facts that there was nothing out there waiting for them. The other 19 people are still on waiting lists for services, adult training services in the community, and that waiting list is about 20 years' long, and that is with increased services by State government.

The waiting list for services is just astronomical, and parents are just not able to cope, especially the parents who have had the benefit of educational services for their children.

We appreciate your efforts, but the job is not done. There is a tremendous amount of work yet to do. We need help to prevent any erosion in the educational and vocational, and the rehabilitative services that have already proven effective in decreasing the devastating effects of the handicapped and to move people from dependency to greater independence. Anything less than the figures that are cited in our written testimony or a freeze of the appropriation would mean longer waiting lists, and that is just intolerable.

Thank you.

PREPARED STATEMENT

Senator WEICKER. Thank you very much.

[The statement follows:]

## STATEMENT OF ELMER CERANO

Mr. Chairman, Members of the Subcommittee, on behalf of the Association for Retarded Citizens (ARC), I would like to thank you for the opportunity to testify on the subject of appropriate Federal funding for programs affecting persons with mental retardation and their families. The ARC is marking its 35th year of service to people with mental retardation and its 160,000 members in some 1,300 local and state units are dedicated to the continuing task improving the quality of life of persons with mental retardation.

The ARC funding recommendations that follow are testimony to the progress that we, as a nation, have made in the last 25 years toward improving the lives of persons with mental retardation. The recommendations that we are submitting to you today are admittedly modest because we recognize that the current economic and political climate will only attend to moderate adjustments of the status quo. That should not be misinterpreted by Congress to mean that our recommendations represent appropriations levels that will, if enacted, completely meet the needs of persons with mental retardation. Indeed they will not.

The needs of persons with mental retardation and their families exceed the current level of Federal assistance that is being provided. Today persons with mental retardation and their families face sundry waiting lists corresponding to every facet of their lives. There are waiting lists for infant stimulation programs, preschool, and childcare programs. There are students with mental retardation waiting for their school systems to provide an appropriate amount of physical, occupational, and speech therapy, and others waiting to be placed in an educational setting that allows them to work and play with their nonhandicapped peers. There are young adults with mental retardation waiting for services from their vocational rehabilitation office while the skills that they acquired in school begin to falter due to inactivity. There are thousands of mentally retarded adults languishing in institutions or living inappropriately with their aging parents because they are waiting for community and housing services. There are hospital emergency rooms filled with mentally retarded persons seeking medical care who can't find an insurance company who will provide them with a policy, and elderly parents of mentally retarded persons whose greatest fear involves the treatment that society will afford their offspring when they die; these fears are not unfounded. Finally there are elderly persons with mental retardation who are waiting for services from a system already overworked in the provision of services to elderly Americans.

Mr. Chairman, Members of the Subcommittee, the ARC appreciates your efforts on behalf of persons with mental retardation. The funding recommendations which follow are a minimum of what is needed to simply maintain current service levels. Anything less than these figures will mean a cut in services to mentally retarded persons and their families. Any form of a freeze of appropriations will mean fewer services and longer waiting lists. We posit that is simply unfair to fund these critical programs at anything less than last year's service level. At a minimum, FY85 service levels must be maintained in the FY86 funding levels which requires an adjustment for inflation.

TABLE 1
ARC's Budget Recommendations for FY'86
(in millions)

| PROGRAM | FY'86 ARC RECOMMENDATION |
|---|---|
| DEVELOPMENTAL DISABILITIES | |
| Basic State Grants | 53.4 |
| Protection and Advocacy Systems | 14.6 |
| University Affiliated Facilities | 9.6 |
| Special Projects | 2.8 |
| EDUCATION OF HANDICAPPED CHILDREN AND YOUTH | |
| P.L. 94-142 State Grants | 1,347.2 |
| Early Childhood Education | 28.3 |
| Preschool Incentive Grants | 36.48 |
| Secondary Education and Transitional Services | 6.66 |
| Special Education Personnel Development | 64.37 |
| P.L. 89-313 State Operated Programs | 157.67 |
| Vocational Education | 835.3 |

| | |
|---|---|
| **REHABILITATION RELATED SERVICES** | |
| Vocational Rehabilitation State Grants | 1,203.2 |
| Rehabilitation Training | 31.0 |
| Centers for Independent Living | 23.0 |
| Independent Living State Grants | 30.0 |
| National Institute of Handicapped Research | 44.0 |
| **BLOCK GRANT PROGRAMS** | |
| Title XX Social Services | 3,420.0 |
| Maternal and Child Health | 478.0 |
| (MCH) Training Activities | 71.7 |
| **PREVENTION PROGRAMS** | |
| CDC Immunization Program | 59.0 |
| **BIOMEDICAL AND BEHAVIORAL RESEARCH** | |
| National Institute of Child Health and Human Development | 347.2 |
| National Institute of Neurological and Communicative Disorders and Stroke | 444.5 |
| **SPECIAL CONCERNS** | |
| Job Training Partnership Act (JTPA) | 1,969.0 |
| (JTPA) National Activities Pilots and Demonstrations | 21.6 |
| Child Abuse | 41.5 |
| National Council on the Handicapped | 0.78 |
| Project Head Start | 1,221.0 |

DEVELOPMENTAL DISABILITIES BASIC STATE GRANT PROGRAM:

Since FY'79 when a new definition of developmental disabilities and new Council responsibilities were added to the Act, this program has struggled to survive and expand its activities to meet changing statutory requirements. States have traditionally used their small DD allotments (some as small as $300,000) to create a "multiplying effect," successfully accessing other dollars for services. The ARC recommendation is intended to bring the Developmental Disabilities State Grant Program to a level commensurate with its mandated responsibilities and to ensure that the funding of newly mandated services does not cause the elimination of services already in place.

DEVELOPMENTAL DISABILITIES PROTECTION AND ADVOCACY SYSTEMS:

The P&A system has successfully served developmentally disabled clients and must be maintained and expanded to assure that the rights of those persons are protected. The P&A system received a large percentage increase in 1985, however, new mandates for service were also added (information referral and a focus on institutionalized DD persons). The ARC notes that the system has been under-funded evidenced by the fact that 24 states received the minimum state allotment in 1985. The 1985 increase still leaves many persons without adequate advocacy services at a time when persons with developmental disabilities are increasingly aware of their rights and the services to which they are entitled. Funding at the authorization level would provide a small cost of living adjustment.

DEVELOPMENTAL DISABILITIES UNIVERSITY AFFILITATED FACILIITES:

The implementation of P.L.98-527 will result in the funding of 5 additional satellite centers at $150,000 each. This $750,000 commitment of University Affiliated Facilities funds by the Administration on Developmental Disabilities substantially neutralized the access to new funds anticipated by the 1985 appropriation of $9.0 million. While the satellite expansion remains a worthwhile activity, the UAF network continues to feel the effects of the funding levels of 1981. Appropriation of the 1986 authorized amount of $9.6 million will enable the network to realize funding stability while still addressing the satellite expansion initiative and other Federal program priorities.

DEVELOPMENTAL DISABILITIES SPECIAL PROJECTS:

Without appropriation of the $2.8 million authorized the following types of exemplary and needed activities would be threatened:

- o program standards for large and small facilities, such as licensing and fire safety;
- o data needed for policy development, such as research on state expenditures for DD services and the trends in moving people from institutional to community settings;
- o initiatives to support new activities mandated by law such as leadership projects to expand employment opportunities;
- o interstate brokering of model programs and practices, such as electronic mail data-base development for the three DD programs; and
- o funds which seed "high risk" projects for states such as demonstrating that medically fragile infants can be served in community, rather than institutional, settings.

These and other projects of nationwide impact are needed by the DD field.

EDUCATION OF THE HANDICAPPED STATE GRANTS PROGRAM:

Despite modest increases in appropriations over the past four years, the total actual appropriation for P.L. 94-142 as a percentage of the national average per pupil expenditure (NAPPE) in relation to the number of children being served has been dropping steadily from a fairly stable 12 percent during the late 1970's to a current 8 percent in fiscal 1985 and a future 7 percent if the Administration-proposed freeze for fiscal 1986 were accepted.

Some examples of the impact of these combined fiscal restraints can be identified (as reported in studies authorized by the U.S. Department of Education): class sizes are growing; newly identified children are remaining longer on waiting lists; little growth is occurring in the needed expansion of program options; related services are being reduced; age eligibility is being narrowed to reduce responsibilities for preschool and older handicapped students; and eligibility criteria for special education generally are being narrowed to constrain the number of children to be served.

The figure of $1.347 billion is derived by using a very conservative NAPPE of $2,700. Twelve percent of $2,700 times an estimated child count of 4,158,000 children equals $1.347 billion.

EDUCATION OF THE HANDICAPPED PRESCHOOL INCENTIVE GRANTS:

Since school year 1976-77 the number of handicapped children served under this program has increased by 46,905 or 24 percent. This cost-effective program is functioning at only 40 percent of its intended fiscal scope. In addition, in the Education of the Handicapped Act Amendments of 1984 (P.L. 98-199), the Congress expanded the population which may be served under this program from ages three through five to zero through five. In consideration of all of the foregoing, we urge that the program receive a fiscal 1986 appropriation of $36.48 million, which would represent 50 percent of the authorization level.

EDUCATION OF THE HANDICAPPED EARLY CHILDHOOD EDUCATION PROGRAM:

The recent Education of the Handicapped Act Amendments of 1984, P.L. 98-199, continued the Early Childhood Education model demonstration and outreach program for handicapped children, birth through age 8, while greatly expanding and strengthening that component of the program concerned with State Implementation Grants (SIGs).

Congress greatly expanded that portion of the program directed at assisting states to plan, develop, and implement comprehensive special education and related services to handicapped children, birth through 5 years of age. The ARC recommends an FY86 budget of $28.3 million.

EDUCATION OF THE HANDICAPPED SECONDARY EDUCATION AND TRANSITIONAL SERVICES:

This program provides resources to address the nation's commitment to the education of handicapped youth at the secondary level and to respond to the national awareness of the major deficiencies in the provision of transitional services to assist youth in their move to competitive employment, continued training and education, or adult services.

We urge the Congress to fund Secondary Education and Transitional services at its full authority of $6.66 million for FY 86.

EDUCATION OF THE HANDICAPPED SPECIAL EDUCATION PERSONNEL DEVELOPMENT:

The current recommendation of $64.37 million is a modest increase to the authorization level established by Congress. It is necessary in order to help assure that an adequate supply of special education and related services personnel and a strong nationwide network of parent assistance programs will be available for a handicapped school-age population that continues to grow. In recent weeks a great deal of publicity has focused on the teacher shortages that are expected within the next five to ten years. The ARC is quite concerned that these shortages will fall heavily in the area of special education if proper steps are not taken at this time. Teacher shortages in special education have forced school systems to place uncertified and unqualified teachers in special education classes resulting in diminished learning among the students and high turnover among staff. The time to ensure against such shortages is the present.

P.L. 89-313 STATE OPERATED PROGRAMS:

Between 1982-1984 this program suffered three consecutive years without even a cost of living increase. During 1985 the program received a 2.2% increase, but the amount failed to address the increased number of children seeking services. The recommended figure of $157.67 million would allow for a modest 5 percent increase to cover the anticipated effects of inflation.

VOCATIONAL EDUCATION:

The $835.3 million recommendation represents the amount deemed necessary by the Congress, through passage of P.L. 98-524, to carry out the greatly expanded purposes of the state/local vocational education program. Examples of this expansion include: enlarged enrollment of special population groups (including handicapped individuals); new emphasis on adult training and retraining; a mandate for increased interaction between public agencies and the private sector; and greater assistance to the most economically depressed areas of the states by raising employment and occupational competencies.

VOCATIONAL REHABILITATION STATE GRANTS:

Due to scarce resources, State Vocational Rehabilitation Agencies are only able to serve approximately one out of every twenty disabled individuals who need services. Millions of eligible people who could be served, are not served. According to the National Center for Health Statistics, at least 22 million individuals in the United States are disabled in such a way as to chronically limit their ability to function.

Department of Education data have shown that the total State-Federal investment in Rehabilitaion for any given fiscal year is totally paid off in four-years, due to increased tax revenues from and decreased dependency on government services of persons who are rehabilitated into employment. The ARC recommends a funding level of $1,203.2 million for this critical program.

REHABILITATION TRAINING:

Training is perhaps the most critical element in providing services to persons with disabilities. Rehabilitation, because it is individually tailored to the unique needs of each disabled person, depends upon well-prepared professionals to deliver a wide range of services. An appropriation to the 1986 level of $31 million is needed to help alleviate personnel shortages evident in many of the vital rehabilitation professions.

COMPREHENSIVE STATE SERVICES FOR INDEPENDENT LIVING TITLE VII, PART A:

Under this Program, State Agencies will provide, or arrange for the provision of any service that will enhance the ability of a person with a severe disability to live independently and function within his family and community and, if appropriate, secure and maintain appropriate employment.

For the first time, in fiscal year 1985, the Congress appropriated funds for this Program. The ARC urges the Congress to appropriate a minimum of $30 million for Part A Servces and allow for the provision of cost-effective, quality rehabilitation services to our Nation's most severely disabled citizens.

CENTERS FOR INDEPENDENT LIVING AND RELATED SERVICES:

Independent living centers are cost-effective alternatives to institutional care for people with severe disabilities. The full authorization amount of $23 million is needed in FY86 to sustain the current level of services provided by Part B centers and effectively implement broadened program priorities. In 1985, Part B centers were encouraged to extend services to additional groups of persons with disabilities and to provide transition services to enhance the abilities of individuals with severe impairments leaving schools or institutions. Full funding is needed for personnel training, additional staff and other activities associated with the two new program priorities.

The ARC also recommends that $2 million be appropriated for Part C centers to initiate independent living services for older individuals who are blind. By the year 2000, the number of people over the age of 75 years will increase by 56 percent.

NATIONAL INSTITUTE ON HANDICAPPED RESEARCH:

The ARC recommendation of $44 million will enable NIHR to continue in FY86 the level of new programs which Congress established for 1985. Only 15% of the applications for individual research grants were funded in 1984, and the percentage may be lower in 1985. A $44 million budget is needed to fund 15% to 20% of the research applications submitted and allow for the continuation of the 50 research centers.

TITLE XX, SOCIAL SERVICES BLOCK GRANT:

Title XX Social Services, coupled with other programs such as Supplemental Security Income, is one of the few federally funded programs available to states to provide community-based services to prevent unwarranted, costly institutionalization. Many states utilize a substantial portion of their Title XX allocations to help finance group home living for mentally retarded and other developmentally disabled persons. Title XX should continue to be increased as rapidly as possible to restore the program to its pre-1981 level. The ARC recommends a funding level of $3,420 million.

MATERNAL AND CHILD MENTAL HEALTH BLOCK GRANT:

The ARC agrees with the Administration that the MCH block grant funding should be $478 million although the recommended level will not restore the purchasing power of $456.7 million spent on MCH services in 1981. Use of the MCH Block Grant provides critical assistance to state Crippled Children's and public health agencies which cannot impact upon families without such financial assistance.

MATERNAL AND CHILD HEALTH TRAINING ACTIVITIES and SPECIAL PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE (SPRANS):

The 15% "setaside" contained within the MCH Block Grant funds an array of important training, research, and support programs. These funds enable the University Affiliated Facilities to provide training to physicians, therapists, allied health personnel, educators, and others. The translation of current applied research into functional service and treatment is an important outcome.

ARC recommends that the 15% "set-aside" levels of $71.7 million be retained in the MCH Block Grant.

CDC IMMUNIZATION PROGRAM:

The ARC recommends $59 miillion for the Immunization Program. Additional funds must be appropriated for this program in order to maintain the current effort to immunize all children. In both human and financial terms, the costs to our society of leaving these childhood diseases unchecked are enormous. The CDC estimates that for each $1 spent for polio immunization, $10.30 is saved. For each $1 spent on the measles/mumps/rubella vaccine, approximately $23 is saved. Since 1963, the CDC estimates, 19,000 cases of mental retardation from complications of measles have been averted, and 5,700 lives have been saved. The cost of allowing our nation's immunization levels to decline far outweighs any short-term savings.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT (NICHHD):

An appropriation of $347.2 million would allow the Institute to maintain its grants and centers at the 6,500 grant level. It is vital that this level of research, based on reasonable professional judgment be maintained to continue to pursue research aimed at finding cures and developing methods to improve the independence of developmentally disabled children and adults, thus saving billions of dollars annually on costly health care and other government subsidies.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE (NINCDS):

NINCDS estimates that it will be able to fund only 28 percent of approved grants during FY 1985. The FY 1986 ARC recommendation of $444.5 million would allow the Institute to restore its support of approved grants to the 34 percent level.

JOB TRAINING PARTNERSHIP ACT:

The ARC recommends a FY86 appropriation of $21.6 million for the Pilots and Demonstration Account and $1.969 billion for the Block Grant States Account.

Seven national projects funded under the Pilots and Demonstrations Account, including the ARC On-the-Job Training Project, have been in the forefront of designing and delivering cost effective programs addressing the specific training and placement needs of disabled individuals. Continued Federal support for these programs is particularly important in light of the pressing needs of persons with handicaps to acquire and apply job skills. If additional resources to meet the documented employment needs of the disabled are not provided, then at a minimum, the program components of JTPA which provide services to disabled individuals should be maintained at the current policy level.

CHILD ABUSE PROGRAM:

ARC recommends $41.5 million for the Child Abuse State Grant Program. Developmentally disabled children are among the most vulnerble populations to suffer child abuse and neglect and such abuse and neglect, in most instances, is not likely to be reported by victims due to their disabilities.

The recent passage of the so-called "Baby Doe" amendments to the Child Abuse Act requires an entirely new, but vital, initiative to be undertaken by states to enforce the procedures and mechanisms to protect disabled newborns with life-threatening conditions. New training initiatives of staff must be undertaken as well as staff expansion to prepare CPS workers to deal with such cases. Additionally, state CPS agencies need to work with health facilities, medical groups and the public to inform them of the new "Baby Doe" provisions and obtain their cooperation in identifying and handling suspected cases of medical neglect of disbled newborns. Such activities cannot be undertaken without additional funds.

NATIONAL COUNCIL ON THE HANDICAPPED:

The ARC recommends $783,300, a 4.4% cost-of-living increase. In FY85, Congress sought to provide sufficient sums to support the greatly increased responsibilities of the National Council. There is a need for a firm commitment to NCH to enable it to achieve its

PROJECT HEAD START:

Head Start is unique in its comprehensive services, parent involvement, services to handicapped children, and community sponsorship. Since 1972, Head Start's statute requires that at least 10 percent of all Head Start children be handicapped. Last year, 12.5 percent of Head Start's 442,140 children were handicapped. These handicapped children were professionally diagnosed as having physical handicaps; specific learning disabilities; blindness; deafness, visual, hearing, speech, and health impairments; mental retardation; and/or serious emotional disturbances. The need for early intervention and the documented benefits of the Head Start programs make Federal funding a particulary worthwhile investment toward future savings. The ARC recommends an appropriation of $1.221 million for the Head Start Program.

Senator WEICKER. As you know, the additional amounts that I have put in there are to maintain the current services level. I think I am correct, at least the budget as it now stands, and I am delighted to say this, the increases as far as the handicapped are concerned are greater than they were for defense, which is a proper priority, I think, in terms of the job that needs to be done.

I certainly would agree with you that even though we can take pride in that small accomplishment, all of us can take pride because all of you help me in that activity, the fact still remains that the overall line of funding over the past 4 years is nothing really to boast about at all. It is level, at best, in terms of all the factors involved. Sooner or later people are going to begin to realize that this is not just a matter of a humanitarian gesture, but the money invested has enormous economic benefits to the community and to the Nation. If we invest the money, we will save a lot of money, and make a lot of people happier in the course of that.

Thank you for your testimony.

Mr. CERANO. Thank you.

### STATEMENT OF LANI DEAUVILLE, DIRECTOR, FLORIDA OFFICE OF VOCATIONAL REHABILITATION, ON BEHALF OF THE COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

Senator WEICKER. Ms. Lani Deauville, Council of State Administrators of Vocational Rehabilitation.

Good morning, and how are you?

Ms. DEAUVILLE. Fine, thank you.

My name is Lani Deauville. I am the director of the State of Florida's Rehabilitation Program. I am here representing the Council of State Administrators of Vocational Rehabilitation. First of all, I would like to thank you for your help with the budget, and I hope that we can get the full appropriation for vocational rehabilitation services and for independent living services.

As you know, vocational rehabilitation is a State/Federal partnership program, with the Federal Government providing 80 percent and the State providing a 20-percent match, to provide vocational rehabilitation services to disabled people to enable them to work.

What vocational rehabilitation does in a nutshell is to help people who are tax liabilities to become tax assets. The most recent statistics indicate that vocational rehabilitation clients who go to work repay almost

$11 for every dollar that was spent on their rehabilitation. So it is one way of dealing with the deficit in a small way.

Vocational rehabilitation services are extremely important, not only from a humanistic viewpoint, but also from an economic viewpoint. The States have a great deal of difficulty in supporting disabled people who are not working. It is a very expensive prospect. If disabled people can work, they can pay taxes to help rehabilitate other disabled people.

The independent living program, as you know, is a fairly new program. Last year, we received startup, seed money funding. We are asking for the full appropriation, $55 million, this year for independent living. We feel very, very strongly that part B has been a good starting place, but we need services money in part A. It is very critical that we have this. It is like having a building to provide services, but not having any money to provide the services with.

Independent living can help keep an awful lot of people out of institutions, and the provision of independent living services allows people to have the opportunity to get to the point where they may be able to function at a level that they would be able to work, and, of course, that is the whole emphasis that we are trying to make, that disabled people should be working, and most disabled people, we found, are able to work.

The current appropriation is not keeping up with the cost of medical inflation, and we need to jack the money up a little bit so that we can have enough money to serve at least the same number of people that we serve this year, and hopefully more people than we serve this year, because the more people that we serve, the more people that we will have off of the welfare rolls.

Thank you, Mr. Chairman.

Senator WEICKER. Thank you very much. I think you make a very good point that we tend to forget. When we talk about the inflation factor, we tend to think in terms of the figure used by CBO, in terms of the Government's activities, 4 percent or 5 percent, whatever the case is. But in these areas, the medical inflation is just way greater than that. What do you think it is, somewhere around 10 percent?

Ms. DEAUVILLE. What we found was that if we had level funding for next year, we would be serving 51,000 fewer people than we serve this year with level funding because of medical inflation. But if we were to receive the full appropriation, then we would be able to serve about 80,000 more people than what we are serving this year. Of course, each one of those people is a potential $11 return for the investment.

Senator WEICKER. John, what factor did we use on the current services in getting the additional $222 million?

Mr. DOYLE. I think, Senator, your amendment will allow for inflation in excess of the medical inflation index for the vocational rehabilitation State grant.

Senator WEICKER. That would translate to what as far as what Lani is talking about?

Mr. **Doyle.** I think that it would be in excess of the medical inflation, and very close to the authorized ceiling of the Vocational Rehabilitation Act.

Ms. **Deauville.** We could certainly use it, and we thank you very much for your support.

### PREPARED STATEMENT

Senator **Weicker.** Not at all, and thank you very much for your testimony.

[The statement follows:]

## Statement of Lani Deauville

The Council of State Administrators of Vocational Rehabilitation is comprised of all of the chief administrators of the public Rehabilitation Agencies providing services to persons with disabilities in the fifty states, the District of Columbia, and our Nation's territories.

These agencies constitute the state partners in the State-Federal Program of Rehabilitation Services for persons with mental and/or physical diabilities provided by the Rehabilitation Act of 1973, P.L. 93-112, as amended.

This 65-year-old Program is the major resource for, and the State Rehabilitation Agencies are the primary providers of, rehabilitation services to the handicapped citizens of this Nation.

The Rehabilitation Act is the most complete and well-balanced legislation in the field of human services.

The primary focus of the Act is to provide services to persons with mental and/or physical disabilities, in order that they may enter the workforce for the first time, or that they may return to work, or that they may become independent of public income maintenance programs and institutions.

The provision of these services results in a direct financial savings to local, State and Federal Governments, as increased remunerative employment generates increased tax revenue, and as decreased dependence upon income maintenance saves public assistance dollars and other expenditures.

Within the Rehabilitation Act, provisions are included for (1) a comprehensive and individually-tailored program of vocational rehabilitation services; (2) an innovation and expansion program; (3) a training program; (4) a research program; (5) a special projects program; (6) a rehabilitation facilities program; (7) a community-based employment program; (8) and a comprehensive services program for independent living.

This balanced emphasis embodies the elements necessary for a successful rehabilitation program to be provided through a nationwide network of public and private, community-based, service providers.

The broad and strong bi-partisan support for the Rehabilitation Program was shown, as recently as February, 1984, when President Reagan signed into law the Rehabilitation Act Amendments of 1984, which had been approved by the Congress by overwhelming majorities.

The Council's testimony today will focus solely on the Federal financial commitment necessary for the Major Service Delivery Programs established in the Rehabilitation Act -- the Basic State Vocational Rehabilitation Grants (Section 110), and Independent Living Rehabilitation Services (Title VII).

Other National Organizations and Members of the NATIONAL REHABILITATION COALITION will be testifying before this Subcommittee to highlight other extremely worthwhile and necessary Programs established in the Rehabilitation Act.

The Council associates itself with these Statements and urges the Subcommittee to seriously consider these recommendations.

## BASIC STATE GRANTS: VOCATIONAL REHABILITATION SERVICES

### Section 110

FY 1986 AUTHORIZATION...............$1,203,200,000
FY 1986 CSAVR RECOMMENDATION........$1,203,200,000

Basic State Grants are the lifeblood of the Vocational Rehabilitation Service Program. It is this Section of the Act which finances the provision of Vocational Rehabilitation

Services to individuals with mental and physical disabilities, whose disability constitutes a handicap to employment.

These Federal dollars, matched with state money at a ratio of, at least, 80% to 20%, permit State Rehabilitation Agencies to provide, as well as contract with private organizations to provide, individualized, comprehensive services to persons with mental and/or physical disabilities, for the purpose of rendering these individuals employed and independent.

Such services may include evaluation; comprehensive diagnostic services; counseling; prosthetic devices; various kinds of training and training supplies; placement in employment; tools and equipment; transportation; post-employment services; placement follow-up; and any other service needed to rehabilitate an individual into employment.

The people served by the Program include, but are not limited to, people with heart conditions, blind persors, deaf persons, amputees, persons with mental disbilities, diabetics, mentally retarded persons, or persons who have other chronic, disabling conditions incurred through accident, illness, or birth.

From 1979 through today, the Rehabilitation Program has been faced with escalating medical costs which have outpaced inflation; with a sharp decline in the purchasing power of the "rehabilitation service dollar," and with an annual loss of over $122 million in funds previously used to provide Rehabilitation Services to Social Security Disability Insurance beneficiaries and Supplemental Security Income recipients.

In times of scarce resources, State Agencies must, by law, focus those resources on the provision of services to the most severely disabled persons. Due to the increased costs of providing services to the more severely disabled, these economic conditions further contribute to the decline in the number of eligible individuals receiving services from State Rehabilitation Agencies.

During this period, there has occured a marked decline in the numbers of people served annually by the State Agencies, from a 1979 level of over 1.1 million persons served.

To rectify this dilemma, the Congress, in passing the Rehabilitation Act Amendments of 1984, based future authorization levels for State Vocational Rehabilitation Services on amounts deemed necessary to reverse the erosion in the purchasing power of the "Rehabilitation Service Dollar," and to stop the commensurate decline in the number of persons served. It was the intent of the Congress to restore, by Fiscal year 1987, the purchasing power to its FY 1979 equivalent.

Last year, Fiscal Year 1984, for the first time in nearly a decade, the number of persons with disbilities served did not significantly decline. The $1,037 million appropriated for Basic State Vocational Rehabilitation Services was used to serve 936,180 disabled individuals.

Last year the Program also served the highest percentage of persons with severe disabilities in its 65 year history, and the actual number of severely disabled persons served increased for the first time since 1979.

These positive signs exist because of the continued support of this Subcommittee and the Congress in providing the necessary Federal financial commitment, which has been consistently matched by the States, and augmented by significant private sector efforts.

Despite this support and these expenditures, there still are not sufficient funds to serve all those eligible, disabled people who have the potential and desire to work and who need Rehabilitation Services to obtain employment and self-sufficiency.

Our best estimate is that State Rehabilitation Agencies are able to serve only one out of every twenty people who are eligible for such services.

In order for the purchasing power of the "Rehabilitation Service Dollar," to continue to be restored, it is vital that the Congress appropriate funds at the realistic levels established in the Rehabilitation Act Amendments of 1984.

The Council strongly urges that the Subcommittee provide appropriations for Basic State Vocational Rehabilitation Services in the amount of $1,203.2 million for Fiscal Year 1986 -- the full authorization.

A recent survey of State Rehabilitation Agencies has shown that if this should be appropriated, State Agencies will be able to serve an additional 85,318 eligible persons than were served last year.

Conversely, should the Program be level-funded at the current FY 1985 appropriation amount, approximately 57,000 fewer eligible individuals would be served.

It is important to remember that the justification for higher funding levels stems from the purpose for which the money is spent--the prevention of an incalculable waste of human potential--a purpose on which no price tag can be placed.

In addition to these humane arguments, Vocational Rehabilitation has continually more than paid for itself by helping handicapped people increase their earning capacity; by freeing other family members to work; and/or by decreasing the amount of welfare payments, health services, and social services they might need.

Recent estimates by the Rehabilitation Services Administration show that for every dollar spent on providing Vocational

Rehabilitation Services, there is a return to Federal and State treasuries of close to eleven dollars.

The Congress must continue to view the funds appropriated for Vocational Rehabilitation as being a sound investment of the Public's Financial Resources.

## COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING (TITLE VII)

| | | |
|---|---|---|
| FY 1986 Authorization................ | $23,000,000 | (Part B Only) |
| FY 1986 CSAVR Recommendation......... | $55,000,000 | (Parts A,B,C) |

Title VII of the Rehabilitation Act establishes a State Grant program to provide Comprehensive Services for Independent Living. This Program is designed to meet the current and future needs of individuals with disabilities "so severe that they do not presently have the potential for employment," but may benefit from rehabilitation services in order to "live and function independently."

Part A of Title VII establishes a nationwide, comprehensive Independent Living Services Program to assist Rehabilitation Agencies in providing, and/or arranging for the provision of, any service which will enhance the ability of a person with a disability to "live independently and function within his family and community and, if appropriate, secure and maintain appropriate employment."

Services provided under this Program assist in an individual's transition from dependency to employment, and may include "supported work" activities.

The existing Part B Independent Living Centers across the country have proven--and continue to prove daily--the effectiveness of, and the need for, the full implementation of the independent living concept.

There is a desperate need, however, to supplement these services by enhancing the Statewide Service Delivery System in Independent Living for the severely disabled, under Part A.

In February, 1984, House-Senate Conferees working to extend and amend the Rehabilitation Act, urged in their Report that the Congress provide for a "sufficient appropriation for Part A of Title VII in fiscal year 1985 to permit a meaningful start-up of the Statewide Independent Living Program."

In Fiscal Year 1985, the Congress, for the first time, appropriated $5 million for Part A. According to a Report of the Senate Committee on Appropriations (S. Report 98-544), this money is viewed as seed monies to "assist the State Vocational Rehabilitation Agencies to use funds ... to establish a sound basis for future additional funding for this activity."

The CSAVR's recommendation of $55 million in appropriations for FY 1986 for Title VII is based on the need 1) for devising an equitable state distribution procedure for Part A Service Grants; 2) for allowing a continued funding base for the Centers as authorized under Part B, and; 3) for initial funding of an Older Blind Individuals' Program, as authorized by Part C.

COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

RECOMMENDATIONS FOR APPROPRIATIONS FOR
REHABILITATION SERVICES FOR FISCAL YEAR 1986

| ITEM | APPROPRIATIONS FY 1985 | AUTHORIZATIONS FY 1986 | CSAVR FY 1986 RECOMMENDATION |
|---|---|---|---|
| STATE VOCATIONAL REHABILITATION SERVICES Section 100 (b) (1) | $1,100,000,000 | $1,203,200,000 | $1,203,200,000 |
| COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING | | | |
| Part A, Comprehensive Services Section 703(a) | 5,000,000 | Such Sums | 30,000,000 |
| Part B, Centers for Independent Living Section 711(a) | 22,000,000 | 23,000,000 | 23,000,000 |
| Part C, Independent Living Services for Older Blind Individuals Section 721(a) | | Such Sums | 2,000,000 |

With respect to other Rehabilitation Programs not listed on the above chart, the CSAVR joins with the recommendations that have been provided to the Subcommittee by the various Organizations that comprise the NATIONAL REHABILITATION COALITION.

## STATEMENT OF FRANK SULLIVAN, NATIONAL CAPTIONING INSTITUTE

Senator WEICKER. The next witness is Frank Sullivan, the National Captioning Institute.

Mr. SULLIVAN. Before you start the light, let me explain something first.

Good morning, Senator Weicker.

Senator WEICKER. Good morning.

Mr. SULLIVAN. I am deaf, totally deaf, as my mother used to say, stone deaf. I have been that way for the past 55 years. I have never heard myself speak. Some doctors say that over the years I have developed a deaf voice, and I want to know right now if you follow me OK. Can you understand me?

Senator WEICKER. I can understand you better than most of my colleagues on the Senate floor. [General laughter.]

Mr. SULLIVAN. Thank you.

First, I want to express my appreciation for being able to speak to you this morning on the effect of closed captioning on deaf people.

I am the retired president of the National Fraternal Society of the Deaf, and I am now serving on the board of directors of the National Captioning Institute. However, my remarks this morning are those of a consumer of the services of the National Captioning Institute. I assure you that they reflect the sentiments of hundreds of thousands of hearing impaired persons all over the country.

For many years we have been denied full access to television because of the communication factor even though we pay the same price for our television sets as anyone else. So in 1979, thanks to the understanding and the generosity of the Federal Government, the National Captioning Institute was established, and since that time the Federal Government has been providing funds for captioned TV programs.

Now the door was open to deaf people then, and I can't think of any other technology that has made such a dramatic impact on the lives of deaf people as technology of closed captioning. It was not just entertainment that we sought or wanted on TV, but we were hungry for news. It was hard for us to sit in front of the TV set and look at the announcer or the newscaster and not understand anything.

Thanks to the Government that came to our rescue and provided funds for newscasts, now we have Good Morning America, we have ABC Evening News, we have 20/20, and other specials. Now we feel closer to the mainstream, and we don't have to wait until the next morning to find out what happened the day before by reading the newspaper.

So heavily do deaf people watch TV with captions that they set up their own caption clubs, and thousands of these members contribute to this club for the reason that they want more captioned programs on TV.

So, Mr. Chairman this is evidence that we want much more captioned TV than we have now. We now have 70 hours of captioned programming on TV, but when you consider that there are hundreds and hundreds of hours of regular programs, that is really a small amount.

I urge you very strongly to continue and expand the Government support for closed captioning. The social and educational value for hearing impaired people of all ages cannot be measured.

I feel that we have the right to the opportunity for full access to television technologies, and we must turn to the Government for support.

I want to thank you for your prior support. It has really meant a lot to us.

Thank you.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much, Mr. Sullivan. We will include your statement in its entirety in the record.

[The statement follows:]

## STATEMENT OF THE NATIONAL CAPTIONING INSTITUTE

Closed captioning of television programs in America has become a success. Captioning television programs has allowed hearing-handicapped persons throughout the nation to join the mainstream of American public and commercial television viewing, and to see and understand the events of our time. This Committee has supported captioning since it began. We are very grateful for your support, and believe that it has accomplished much.

We testify here that continuing federal support is still necessary if captioning is to fulfill its mission. We recommend for the Media Services and Captioned Films program in the Department of Education (ED) an appropriation of $16.5 million for FY 1986. This funding level would allow for a slight increase in captioning, for ongoing procurement of decoders, and for other activities as described below. (This recommendation is at the level of the President's budget.) The program is authorized by the Education of the Handicapped Act for up to $20 million in FY 1986, and could well use funds up to the authorized level if the Congress were to appropriate them.

Captioned TV is a success story because upward of 250,000 hearing-handicapped persons are now regularly enjoying over 70 hours weekly of prime-time captioned TV programs on all four networks. In addition, there is closed-captioned programming available on cable channels and through 200 home video titles. The National Captioning Institute (NCI) -- in 1982 -- began a pioneering effort in simultaneous "live" captioning of programs. This has made possible such programs as Good Morning America on ABC-TV, and Washington Week in Review on PBS. The federal share of the costs of captioning is down to 50% in just 5 years, with broadcasters, corporate America, and other contributors furnishing an increasing amount each year. The hearing-handicapped themselves have now invested over $30 million in decoders, and are now contributing over $90,000 a year to increase captioning through NCI's Caption Club.

But this success is qualified because we should be reaching many more persons, with many more captioned programs. To make this happen, we must (1) reduce the price of decoders; (2) aggressively market them; (3) increase the quantity and variety of captioned programs; and (4) devote a great deal more effort in public awareness of the service. All too many people who could benefit from this innovative technology still are not aware of the service. Taken together, these needs have delayed our goal of decreasing dependency on federal funds. Our recommendations submitted here today will help meet these needs and bring us closer to our goal.

As you know, closed captioning is the process which permits the spoken words of TV programs to be prepared as written captions, but only made visible in the picture by means of a caption decoder. These decoders are available for approximately $280 nationwide in stores such as Sears, JCPenney, and VideoConcepts.

NCI is the nonprofit, single-purpose corporation established in 1979 by the federal government to provide captioning services to the television industry. NCI is a cooperative endeavor, supported by commercial and public broadcasters, advertisers,

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corporate underwriters, interested citizens, and ED. In 1984, NCI's caption revenues were approximately $5 million, with about 50% coming from private sector sources.

NCI's Board of Directors represents leaders from within the corporate community and from the hearing-handicapped community. Additional counsel is received from its Consumer Advisory Board, representing special interests of the hearing-handicapped; and its Corporate Advisory Council, representing the growing group (last year over 500) of commercial media users and supporters of captioning. These groups meet regularly to advise NCI on policy and operation questions. NCI is proud of the large and diverse national and international list of organizations that have endorsed its corporate mission. (Lists attached.)

As to the tremendous positive impact on family well-being, we offer some of the comments received from thousands of letters which have come to us annually:

INDIVIDUALS

"...Too often the deaf are thrust out of the hearing world and have no choice except to socialize only with other deaf. But because of the captioning on the television, the barriers that separate the hearing and deaf worlds are broken down. Captioning gives us a common activity that hearing and deaf can do together."

Silver Spring, Maryland

"...I can't begin to tell you how great it was to finally view a TV show and understand all the dialogue that's spoken and enjoy it. I was just so thankful and I feel as though a new avenue of life has been opened to me ... I really consider it a minor miracle!!"

Fall River, Massachusetts

PARENTS

"...We have a lot of equipment for our nine year old profoundly deaf son, but none as valuable and useful as the captioner ... our son goes to school and plays with his friends fully informed of trends his friends are following ... Your work at NCI, donations of sponsors, and all the dedication your organization is responsible for, have done more for helping the deaf community than a lot of the new assistive devices available today."

Gaithersburg, Maryland

SENIOR CITIZENS

"...You're saving my sanity and probably my life. I love you! I was a teacher of languages, English, French and Latin and a lover of all forms of communications. I've been totally deaf for a year, last October. I get through the day because I know that for a little while at night I can watch TV and read your captions and forget there's a glass wall between me and the world."

Milwaukee, Wisconsin

In response to government mandate, NCI has undertaken a greater role than simply providing captioning services. NCI has been the principle initiator of the necessary technical equipment used in the captioning and decoding process, and the principle national voice of captioning to the business, education and media world. These activities are part of its aggressive efforts to improve and increase TV captioning, and help increase its non-federal support. (See attached example of an NCI Marketing Memo.) Growth in this area has been good. Federal funds continue to be vital to the service, and will continue to be so for some time to come. However, NCI is attempting to minimize the amount of federal help needed.

For FY 1985, as provided by the Committee, ED was appropriated $16.5 million for Media Services and Captioned Film. Of these funds, we understand that about $3 million has been awarded by contract for TV program captioning, and about $1.5 million will be awarded for decoder development and procurement.

For FY 1986, we recommend that again the total for Media Services and Captioned Film be $16.5 million. Of that amount, for captioning TV programs, we recommend $3.7 million, an increase over what ED apparently will provide for in FY 1985. This increase would allow for a somewhat broader selection of captioned TV programs. For example, there are no afternoon programs captioned on any of the national TV networks. The close correlation between retirement age and increasing hearing problems indicates the rapidly growing number of persons who would benefit from the availability of afternoon captioned programs.

For continuing decoder development and procurement, we recommend again that $1.5 million be provided. There is a rapidly dwindling supply of decoders in the stores. All 100,000 of the original production have almost been sold. Thousands of new decoders are needed now. It was to meet this need of additional decoders, and at a reduced cost, that this Committee approved $1.5 million for new decoder development and procurement in its FY 1985 appropriation. As a result, on March 1, 1985, ED issued an RFP calling for delivery of 50,000 new decoders beginning September 1985. NCI has submitted a proposal that would insure the production of a lower priced decoder by late this year that could retail for as little as $200. This would be a 30% reduction as compared to the present decoder price.

Retailing a decoder at this reduced price will save hearing-impaired consumers about $4 million. Also, more homes with decoders will mean more private sector support of the service. Clearly the government subsidy will act as a very good leverage investment.

The 50,000 new decoders will sell considerably more rapidly than the first 100,000 due to the siginificantly reduced price, increased number of captioned programs, and more public awareness. More units will be needed by 1987. We recommend funds be provided in the FY 1986 appropriation so that ED can support the procurement of more decoders.

There is another use for part of the $1.5 million. The micro-chip, which is the heart of the decoder, is subject to rapid technological improvements. The chip in the new decoder this Fall ('85) will be better and less expensive than its 7-year old predecessor. We believe that a new generation of "superchips" could be available -- in the 1987-88 period -- which could reduce the decoder price even more. Thus, an investment of $250,000 in FY 1986, to be taken from the $1.5 million in order to start the development of a new chip, would be very wise.

NCI is concerned about the need for a nationwide rapid repair and advisory service for the decoders. There is a growing need for qualified repair services for these specialized electronic devices. Many deaf persons are not familar with electronic service practices, and ordinary service personnel may not be familiar with the decoders. A nonprofit rapid repair and advisory service would be a tremendous adjunct to the captioning service. It would be staffed by hearing-handicapped technicians to service the needs of the hearing-handicapped with their decoders. Establishing this nonprofit service would require an estimated $300,000 in ED funds. This would be a wise and prudent investment to protect the many millions of dollars already invested in decoders.

NCI recommends that $500,000 be allocated toward public awareness efforts. We believe it vital that ED protect its substantial financial investment in captioning with at least minimal support for informing the hearing-handicapped constituency about the existence of the captioned TV program service. NCI's own experience with public awareness tests in Dallas, Pittsburgh and Tampa have proved that decoder sales and captioned viewing can be increased significantly through involving local service clubs, press, churches, broadcasters and others in promotion of the the service. This is yet another high-leverage way to increase the benefits of the federal captioning funds.

The funds necessary to undertake all of the above initiatives total $6 million. We believe that these valid activities could be provided for from within the Media Services and Captioned Films appropriation.

We appreciate this opportunity to present to you our view on how we could better serve the hearing-handicapped people of our nation. Closed captioning has meant much to more and more people over the past five years. It could mean even more and to many more people in the years ahead. We respectfully ask your consideration of these proposals, and again want to convey to this Committee our appreciation for your support for our captioning efforts over the years.

| | |
|---|---|
| **WATCH FOR ABC-TV'S CLOSED CAPTION PUBLICITY** | NCI closed captioning will be the subject of an "American Television and You" 60-second public service announcement which was produced by and will run nationally on **ABC-TV**. In the spot, Jim Duffy, president of the American Television Network, explains closed captioning and the effect it has on people who suffer a hearing loss. In addition, **ABC-TV** will place advertisements on the opinion/editorial pages of **New York Times**, **Wall Street Journal**, **Los Angeles Times**, **Washington Post**, **Christian Science Monitor**, **USA Today**, and **National Journal**. All ads will appear during the first two weeks of May and focus on the benefits of closed-captioned television. Because of **ABC-TV**'s tremendous commitment to closed-captioned television, public awareness of the service should be at its highest level yet during April and May. |
| **NEW ABC-TV PROGRAMS ARE CAPTIONED** | **ABC-TV** has added five new programs to the closed-caption line-up. The new series "Eye To Eye," "Hail To The Chief" and "Me and Mom" are now closed captioned thanks to funds provided |

by **ABC-TV**. The captioning costs for "Mr. Belvedere" and "Off The Rack" are being underwritten by the **U. S. Department of Education**.

**RAINBOW BRITE MINI-SERIES IS CAPTIONED**

Three half-hours of the family entertainment mini-series "Rainbow Brite" will be closed captioned when it airs around the country in syndication April 17th, 18th and 19th. The captioned titles are "Peril In The Pits," "The Mighty Monstromurk Menace, Part I," and "The Mighty Monstromurk Menace, Part II." "Rainbow Brite" is based on a colorful creation of **Hallmark** properties and is being distributed by **SFM Entertainment**.

**NCI WELCOMES NEW COMMERCIAL CLIENTS**

Eleven new clients have recently joined NCI's advertising client list and have added closed captions to their televised commercials. The new clients include **American Standard, Florida Interchange Group, Fram, Georgia Power Company, Gibraltar Savings, IDI, MGM/UA Home Video, MJB, Morton-Thiokol, Pace Foods** and **Weight Watchers**.

**NEW PUBLIC AFFAIRS PROGRAM IS CAPTIONED**

Beginning this month, "Washington Week in Review" will be closed captioned with funds provided by the **Corporation for Public Broadcasting** and **PBS** stations. With the addition of "Washington Week....," **NCI** now closed captions 20 1/2 hours of news and public affairs programs every week including "ABC's World News Tonight," "20/20," "Good Morning America," "ABC's World News This Morning" and the ABC weekend news reports.

**RKO AND THORN EMI/HBO TO CAPTION HOME VIDEO RELEASES**

RKO Home Video and Thorn EMI/HBO Home Video have signed contracts with NCI to closed caption selected home video titles. NCI now closed captions home video movies for CBS/Fox Video, **Walt Disney Home Video, Embassy Home Entertainment, Family Home Entertainment, Karl Home Video, MCA Home Video, MGM/UA Home Video, Paramount Home Video, RCA/Columbia Pictures Home Video, Vestron Video**, and **Warner Home Video**.

**TELECAPTION SALES UP 50%**

Over 95,000 homes now watch closed-captioned TV and sales of the TeleCaption adapter rose by more than 50% in January and February of 1985 as compared to the same two months in 1984. Major reasons for improved sales include the availability of more programming on network, cable and home video and greater awareness about the closed-captioning service. The TeleCaption adapter is sold by over 80 retailers including **Sears, Roebuck and Company, JCPenney** and **VideoConcepts**.

**PBS PROGRAMS ARE CAPTIONED**

The **South Carolina ETV Network** and **McNeil Lehrer Gannett Productions** have contracted with NCI to closed caption twelve 60-minute episodes of "Heart of the Dragon." **General Electric** will underwrite the captioning cost. In addition, the **Arkansas Endowment for the Humanities, American Amputee Foundation** and the **Arkansas Coalition for the Handicapped** will closed caption six 30-minute episodes of "Arkansas Government Close-Ups."

**NEW HOME VIDEO RELEASES**

New home video releases for the month of April are "Best of 60 Minutes, Vol. II," "Oxford Blues," "Playmate Review III," "Reuben, Reuben," "Stone Boy," "Teachers," and "Windy City" from **CBS/Fox Video**; "Cotton Club" from **Embassy Home Video**; "Lilies of the Field," "Pocketful of Miracles" and "Twelve Angry Men" from **Key Video**; "Firestarter" from **MCA Home Video**; "Until September" from **MGM/UA Home Video**; "First Born" and "Thief of Hearts" from **Paramount Home Video**; "Body Double" and "He-Man and the Masters of the Universe, Vol. II" from **RCA/Columbia Pictures Home Video**; "The Lion, The Witch and The Wardrobe" from **Vestron Video** and "Heart is a Lonely Hunter" and "Oh God! You Devil" from **Warner Home Video**.

## NCI BOARD OF DIRECTORS

The National Captioning Institute is governed by a Board of Directors representing varied fields of expertise including television operations and management, advertising and marketing, program production, financing and retailing.

| | |
|---|---|
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| | |
|---|---|
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| Edmund H. North | Screen Writer, active in Writers Guild of America. Recipient of many honors including an Academy Award |
| *Frank B. Sullivan | Grand President, retired<br>National Fraternal Society of the Deaf<br>Former teacher of the deaf |
| Mrs. Dollie Cole-Reynolds | Chairperson, Dollie Cole Corporation |
| *Warren H. Simmons, Jr. | Senior Vice President, retired<br>R. H. Macy & Co.<br>Consultant - Human Resource Development |
| Edwin W. Martin | President and Chief Executive Officer<br>Human Resources Center |

*Executive Committee

Established Corporate Advisory Council and Consumer Advisory Board to assist NCI's Board of Directors through appropriate activities and recommendations.

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| Taras B. Denis<br>Elmsford, New York | Consultant to Headmaster/Teacher<br>New York School for the Deaf |
| Alexander H. Ewan, Jr.<br>College Park, Maryland | Government Printing Office |
| Father Gerard Howell<br>Chalmette, Louisiana | Roman Catholic Priest<br>Prince of Peace Church |
| Dr. Lawrence Newman<br>Riverside, California | Assistant Superintendent<br>California School for the Deaf - Riverside |
| William H. Peace<br>Raleigh, North Carolina | State Administrator<br>North Carolina Council for the Hearing Impaired<br>Division of Vocational Rehabilitation |
| Dr. Robert Sanderson<br>Roy, Utah | Director (Retired)<br>Utah Community Center for the Deaf |
| Elizabeth Spellman<br>Cranston, Rhode Island | Director<br>Adult Services & Sign Language Program<br>Rhode Island School for the Deaf |
| Dr. Frank B. Sullivan<br>Gaithersburg, Maryland | Grand President, Retired (1984)<br>National Fraternal Society of the Deaf |
| Charles Williams<br>Cleveland, Ohio | Yard Superintendent<br>Cuyahoga County Engineer's Department |

Senator WEICKER. Let me ask one question. How many persons are there in the community who use closed captioned television?

Mr. SULLIVAN. I would say that there are about 350,000 at the present time. There could be more except that they don't know about the existence of closed captioning. They don't know about the decoders. When you consider that there are 13 million hearing impaired persons all over the country, we have a long way to go, but we are moving forward.

Senator WEICKER. We are talking about, if I am not mistaken, in the 1985 budget, we earmarked $1.5 million for caption decoders.

Mr. SULLIVAN. Right.

Senator WEICKER. So in terms of the community being served, we are talking about $4 per person contributed by the Federal Government. It gives you an idea of how minuscule these dollar amounts are when it comes to those that look for some special assistance from the Government.

I thank you very much for your testimony. We will work with you in trying to see what further can be done within this budget relative to this account. I think that it is money well spent, and I agree with you that that number of people deserves to be every part as much of the informed public as anyone else.

Mr. SULLIVAN. Thank you, Mr. Chairman.

Senator WEICKER. Thank you, Mr. Sullivan.

## STATEMENT OF DR. JOHN DiTUNNO, M.D., CHAIRMAN, LEGISLATIVE COMMITTEE, AMERICAN CONGRESS OF REHABILITATION MEDICINE

Senator WEICKER. Our next witness is Dr. John DiTunno, chairman of the Legislative Committee of the American Congress of Rehabilitation Medicine.

Dr. DiTUNNO. Good morning, Mr. Chairman.

I am Dr. John DiTunno from Jefferson Medical College of Philadelphia.

Mr. Chairman, I want to thank you for introducing an amendment to the Senate budget resolution for rehabilitation and special education. Your current and continued support of rehabilitation is very much appreciated by the rehabilitation medicine community.

I am testifying today on behalf of the American Academy of Physical Medicine and Rehabilitation, of which I am a past president. I would like to direct my testimony to the research budget of the National Institute of Handicapped Research and the training budget of the Rehabilitation Services Administration.

Mr. Chairman, this is probably the most exciting and interesting period of research in rehabilitation in my lifetime. In 1984, a new program of field initiated research was begun which is similar to the NIH program. I would like to cite a few examples of where specifically this research is taking us. I am a recipient of one of those grants at Jefferson, and we are looking at the effect of electrical stimulation in spinal cord injury patients who are severely paralyzed, quadriplegics. We hope that through this research, we will be able to make people function better, be able to care for themselves more independently. They will need less attendance, and there will be less cost in their care.

At another center, they are implanting electrical stimulation into the spinal cord. This is taking patients who have difficulty sitting and walking, and reducing their spasticity, which will enable them to function without using as much drugs.

There are programs for the improvement of low vision for the blind, and improved development of brain function for those with brain lesions, focusing on language development and motor function.

The 36 research and training centers are producing exciting new findings in areas dealing with arthritis, multiple sclerosis, cardiac disability, blindness, stroke, retardation, mental illness, vocational training, and job placement, and here are again some examples.

In spinal cord injury, due to the early intervention of rehabilitation, we have been able to reduce 30 percent of transsections of the spinal cord. A complete spinal cord injury has a much poorer prognosis for recovery than an incomplete lesion.

About 10 years ago, kidney disease was the major cause of death in spinal cord injury. Through advances in research that has been reduced to 3 percent of the cause. So we see major advances in spinal cord injury.

In brain injury, in addition, there have been major advances in helping people function better by training that part of the brain that is intact.

Some of the centers which are making major breakthroughs: at the University of Colorado, they are working on cardiac rehabilitation, more specific prescriptions for fitness.

I would like to turn my remarks next to what we are proposing: $44 million for research, which is $5 million more than the President's budget. The President's budget would only permit eight new field initiated grants, which I spoke to, with over 325 applications per year, and no increases for R&T centers. They were being funded at $47 million this past year.

In regard to training, the President's budget has recommended a reduction from $22 to $15 million. The shortage in rehabilitation medicine and other things, such as physical therapy, is extremely well documented in the literature as a result of the GMENAC report. The DRG's have made even a greater impact today on the need for rehabilitation services. New units are opening throughout, and this is no time to cut that off.

Senator WEICKER. Tell me something. Why is it that—aside from persons like yourself, obviously, and there have been many noted physicians also who have come before this committee voicing similar thoughts depending on their area of discipline—the medical community which has such broad respect within this country hasn't stood up and really made its voice heard on the economics of the Reagan budgets, not only this year's but the ones earlier?

I sort of have in the back of my mind, you know, that most doctors do pretty well financially, and maybe they like the general thrust of the President's programs, et cetera. I am not here to go ahead and dispute that. Certainly, nobody is better qualified to speak, let's say, than yourself in terms of the economics of the money that is invested in these types of programs that you are talking about.

Let's say that the Government doesn't apply any humanitarian standard at all, just for the sake of argument, just on the economics, the very thing that he preaches is in total contradiction to what he is doing vis-a-vis the budget. I want to save money in your area. I want to save Federal dollars, and I think that the investment is very well worth it in terms of the investment made in rehabilitation.

Dr. DiTunno. This has been very well demonstrated by the spinal injury centers. In my own center there is a cost savings of about $2 million a year just on the reduction of complications.

Senator Weicker. It is $2 million a year in your own center.

Dr. DiTunno. Yes; $2 million a year in my own center, that is right, and this has been amply reproduced throughout the country. Some of the savings in terms of the treatment of diabetics, the reduction of amputation by necessary attention to the foot care, has reduced amputation and the cost by some $70 million.

There is a fair amount of information on the rehabilitation literature that has been looking at cost effectiveness. I think that we are probably ahead of the rest of the community in this particular regard.

Senator Weicker. The corollary to what we are talking about, if the investments are not made, the out-year costs in relations to the reductions that are being proposed by the administration are going to be staggering.

Dr. DiTunno. I think that this is what we are going to see increasingly with the DRG's, this is pushing patients out of the hospital earlier, they are less able to cope. I think we will find that they will be readmitted to the hospital more frequently and this is the other need for rehabilitation services and facilities to restore them to optimum.

Senator Weicker. I certainly appreciate your testimony, certainly your work also. I really have to say that I think it is time, aside from whatever general, philosophical agreement there might be between doctors in the medical community and the administration, that on these points they should speak out very forcefully, very forcefully, and make the American people understand what is involved.

Dr. DiTunno. That is a very important message, Senator.

### PREPARED STATEMENT

Senator Weicker. It is.

Dr. DiTunno. Thank you.

[The statement follows:]

## STATEMENT OF DR. JOHN DITUNNO

Mr. Chairman, I am testifying today for the American Academy of Physical Medicine and Rehabilitation of which I am a Past President, the American Congress of Rehabilitation Medicine, whose Legislative Committee I chair, the National Association of Rehabilitation Research and Training Centers and the Association of Academic Physiatrists. These four organizations represent many professionals and researchers in the rehabilitation field. My testimony today deals with research and the budget of the National Institute of Handicapped Research (NIHR) and the training budget of RSA.

### Research

The NIHR is the only research organization whose mission is rehabilitation research reflecting all aspects of the rehabilitation process: medical, psychological, social, vocational, engineering and environmental. Its statutory mission is to support rehabilitation research and to coordinate all research affecting the handicapped. The programs of the Institute are basically: support of rehabilitation research and training centers, support for rehablitation engineering centers, support for field initiated research, support of research and demonstration projects to institutions including research utilization projects and support for research fellowships and research training.

### Progress in Rehabilitation Research

Mr. Chairman, there is now great interest in the research community in rehabilitation research. In 1984, a new program of field initiated research grants was begun. It is similar to the NIH individual investigator grant. The grant is to individual investigators and the average size of the grant is about $80,000 to $100,000. In its first year of operation, 372 applications were received though only 47 were funded. This is an important indicator of interest, but the low rate of funding, 47 of 372, may put a damper on this interest. In this fiscal year, the NIHR was instructed by the reports of both appropriations committees to fund about the same number of grants as in Fiscal Year 1984 or at least 35. Unfortunately, the current estimates are that only 15 to 20 grants can be funded and 272 applications are already submitted and under review.

Despite being able to fund only so few individual investigations and a comparable number of centers, about 50 exciting developments are taking place in rehabilitation research.

In the field initiated research grant program research is taking place regarding: electrical stimulation to improve the wrist and arm function of the spinal cord injured, techniques to rehabilitate those with end stage renal disease, improvement of low vision aids for the blind, improved development of the brain function for those with brain lesion focusing on language development and motor function, and new treatment methods to rehabilitate those with low back pain. The 36 research and training centers are also producing exciting new findings in areas dealing with arthritis, multiple sclerosis, cardiac disability, blindness, stroke, retardation, mental illness and the vocational training and job placement of those with all forms of severe disability.

Specific progress is notable from research done in the past dealing with the rehabilitation of those with spinal injury and brain trauma. Research regarding the development of improved care, particularly early rehabilitation, for those with spinal injury has resulted in the rate of complete transection of the spinal cord being reduced by about 30%. When the cord is not totally transected the functional capacity of the patient is much greater. Rehabilitation research regarding kidney and urologic problems of the spinal injured has resulted in renal problems resulting in only 3% of spinal injury deaths, whereas it was the major casue of death of those with spinal injury a decade ago. Similarly, far fewer spinal injured now enter the end stage renal disease program and this results in the reduction of Medicare costs. In the brain trauma area, two rehabilitation research projects have produced major findings regarding the development of rehabilitation potential for those with brain trauma by better utilizing the intact aspects of the brain.

The rehabilitation research and training centers have produced many important research results. Major developments in cardiac rehabilitation are the result of research at the rehabilitation research and training centers at the Unviersity of Colorado which focuses upon exercise conditioning and other approaches to the rehabilitation of those with cardiac disease. Research to improve the application of artificial joints for those with arthritis is being conducted at the Unviersity of Virginia Research and Training Center and research at the Albert Einstein Center has demonstrated the improved function and medical cost savings from an early and intensive rehabilitation program for thore with multiple sclerosis. The Einstein Center is also part of a major national job placement effort on behalf of those with multiple sclerosis.

While finding cures for major diseases such as cancer, heart disease, arthritis, diabetes and multiple sclerosis is of great importance, we must continue to fund clinical research to improve the function and quality of life for those with chronic disease and disability. Arthritis and diabetes affect large numbers of Americans; multiple sclerosis, brain injuiry and paralysis from injury are devasting disabilities. Yet we can improve function and life significantly for people with these disabilities. But we must fund research to devleop and test the efficacy of new methods in these areas.

Research in rehabilitation methods and rehabilitation itself is extraordinarily cost effective, as you frequently hear. But perhaps most important at this time, it produces reductions in federal expenditures for disability payments and more expensive medical care. Let me give you a specific example of cost effective rehabilitation research. In the late 1970s, the rehabilitation research program funded research to improve the care of individuals with diabetes who had severe foot disease resulting from the diabetes. This research assisted in the development of a comprehensive foot care approach for those cases including the development and use of specialized orthopedic shoes for those with deformed or severely ulcerated feet. The research showed that such care, at a cost of less than $1,000 a year in 1985 dollars including the special orthopedic shoes, would reduce the incidence of foot and lower leg amputations in such cases by about 40%. The medical costs of amputations alone are at least $12,000. This research has been replicated in England and again in this country. The savings to Medicare alone of reducing the amputation rate for those with diabetic foot disease by 40% is about $70 million a year. There are between 10,000 and 16,000 of such amputations affecting Medicare beneficiaries a year at a cost per case of at least $12,000. This research has assisted in moving foot care ahead in this country and is saving federal money and improving the lives of many people.

## Our FY 1986 Budget Proposal

Our budget proposal is to fund the NIHR at $44 million in FY 86. This represents a $5 million increase over the President's FY 86 budget and the

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current level of $39 million. This increase is a 13% incrase, consistent with the Administration's budget proposals for federal research and development programs generally. The President's $39 million freeze level for FY 86 provides no increase for rehabilitation research and training centers and engineering centers, most of which have had no increases for two to three years. Most of the 50 centers were funded in FY 83 for 5 years but at level funding rates. While the House and Senate reports regarding the FY 85 appropriation law required a 10% increase to be applied to all centers, this has not occurred. Centers have also lost purchasing power because indirect cost rates have increased to 25 to 30% of the grant since the 15% regulatory limit on indirect costs was recently removed. A total of $2.5 million or about 9% should be allowed for center growth.

In addition, the President's budget for FY 86 will fund only 8 new field initiated research grants despite having had 372 and 275 applications in each of the last two years. We, like the House and Senate, believe that NIHR should fund a stable number of new research grants each year. Stability was not achieved in FY 85 despite Congressional language to that effect. Stability in this year would have meant about 46 new projects. We believe that at least 35 new grants should be funded in FY 86. This is less than the 46 grants funded in FY 84 but more than are likely to be funded this year despite Congressional language to fund at least 35 grants. An additional $2.5 million in FY 86 is needed to fund about 35 new field initiated research grants.

We fully support the $1 million set aside in the Administration's budget for FY 86 research training. Research training is a critical component of a research program, but NIHR has not had such a program. The Congress called for such a program in FY 85, but the NIHR will not be able to start the program this year.

## A Comment on RSA Professional Training

The RSA budget for FY 86 is only $15 million for professional training compared to $22 million this year. The proposed FY 86 budget will fund only continuation grants. The RSA was required to submit a manpower study to Congress accompanying the FY 86 budget, but did not. However, there is certainly no evidence of a decreased need for professionals in the rehabilitation field. Many studies published in reputable journals have indicated the need for the training of more rehabilitation specialists. The journal of the AMA recently published an article setting forth the results of a major study on physician needs by the Congressionally established Graduate Medical Educational National Advisory Council. Of 33 medical specialities analyzed only 6 were determined to be in short supply now and for the year 1990. Rehabilitation medicine was one of those and had about the greatest shortage. An estimated 4,050 specialists in rehabilitation are required for 1990, but only 2,400 including residents, existed in 1983. Studies also show serious shortages of physical therapists, occupational therapists, prosthetists and orthotists and rehabilitation nurses. The rapid growth of medical rehabilitation hospital and outpatient programs is another reason why rehabilitation specialists are particularly in short supply. Ambulatory rehabilitative care and home health as well as hospital based rehabilitation programs are being expanded, largely in response to acute hospital cost containment strategies.

In the mid seventies, the Rehabilitation Act was amended to emphasize vocational rehabilitation for those with sever disabilities. The result has been a major change in the service system and now about 60% of the cases handled in the VR system are severe, compared to 32% a decade ago. This change required the educational system to produce professionals equipped to deal with these cases. The same phenonenon is occurring now in medical care. The implementation of the Medicare DRG payment system and the adoption of similar systems for Medicaid and private insurance is creating major new demands on medical rehabilitaion programs in hospitals and in rehabilitation outpatient centers and home health agencies. In many respects, the emphasis on getting people out of acute hospitals sooner is good, but it requires adequate rehabilitation programs adequately staffed at all levels of care. We need more well trained rehabilitation professionals for all of our rehabilitation programs in order to meet this challenge.

To assist in this effort, there should be some expansion of the training program beyond its FY 85 level. We certainly think it untimely to reduce the program as the President proposes.

## STATEMENT OF JOHN E. LAPIDAKIS, EXECUTIVE DIRECTOR, KURTZ TRAINING CENTER

Senator WEICKER. Our next witness is John Lapidakis, the executive director of the Kurtz Training Center.

Mr. LAPIDAKIS. Mr. Chairman, I am the executive director, as you have mentioned, of the LeHigh Valley Association for Retarded Citizens, whose Kurtz Training Center is a vocational rehabilitation facility located in northeastern Pennsylvania. Our agency has had over 30 years of successful experience in evaluating, training, and preparing the mentally and physically handicapped persons through programs which increase social independence, job skills, and prepare for job placement.

We serve approximately 250 adult persons daily at our Kurtz Center. We also have daily training programs for more severely handicapped persons, and provide community living arrangements for mentally retarded citizens in our community.

I am here today to testify on behalf of the National Association of Rehabilitation Facilities, who thank you personally for your long support of programs for the handicapped.

We have submitted, for the record, a statement that details NARF's recommendations and concerns regarding the appropriations for a variety of important legislation before this committee. One of the pieces of legislation before the committee is the Job Training Partnership Act. This is important legislation which is also a rehabilitation program, and it has been responsible for the training, retraining, and job placement of thousands of individuals across the country.

The JTPA provides for the organization of private industry councils at the local community level. These are allowed wide latitude in dealing with specific employment problems within each community. In our area, the Private Industry Council of the LeHigh Valley brought together in a variety of meetings the planning and assessing of community needs representative of community-based organizations such as our facility, State vocational rehabilitation agencies, local educational professionals, and representatives of private industry. The purpose of these meetings was to determine the employment and training problems faced by handicapped individuals, minorities, women, youth, and displaced homemakers.

As a result, nine special employment and skills training programs were funded in this fiscal year, designed to serve over 241 individual LeHigh Valley citizens. The goal of all of these programs is job placement of previously unemployed persons. Using the Federal JTPA money, our community will be able to place in employment at least 241 persons at an average cost of only $1,832 per individual. When one considers that many of these persons' lives will change from one of dependency upon the community and governmental subsidies to a life of independence, the economic impact is clear.

In this regard, our Kurtz Training Center program has contracted with the PIC to provide two innovative programs. One program will identify, evaluate, train, and place in community employment 25 handicapped youth who are moving from special education classes of the public schools, and for whom there have been no other programs in the community. In the second contract with PIC, we will be providing services to workers who have been injured in industry and are now on workers' compensation, to help them move toward reemployment.

The two above examples show how an existing community-based organization such as ours can access generic programs like JTPA and develop specific services in coordination with other groups to serve special populations, all this within the intent of the legislation. Through this legislation, we have been able to identify and serve a small part of the growing number who remain unserved in every community in the country.

With adequate appropriations to JTPA and your support, we will be able to serve even more of those in need. This was possible because, as a community organization operated by a board of local citizens, we are in a position to review our mission as community needs change, and new problems are identified.

The Kurtz Training Center is not unique. There are hundreds of similar vocational and medical rehabilitation facilities with similar records providing an array of innovative, dynamic solutions to human problems in every State. They are in place and operating. Indeed, the wide body of knowledge concerning the identification of the abilities of handicapped persons to benefit by training to maximize independence through employment originated in these facilities, the academic research followed.

My point, Mr. Chairman, is to urge that the committee report include the recommendation for the utilization of existing community resources in any legislation and related regulation. This is important to avoid waste and duplication by examining those funding requests which indicate the creation of model systems when those models are already in place and successfully serving thousands of handicapped persons each day.

It may be that the funding should be channeled through the existing community rehabilitation agencies to be directly applied to existing services. Legislation such as the Rehabilitation Act, the Job Training Partnership Act do just that.

Thank you, Mr. Chairman.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much, John. We appreciate your testimony.

[The statement follows:]

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## STATEMENT OF JOHN E. LAPIDAKIS

My name is John Lapidakis. I am the Executive Director of the Kurtz Training Center, Bethlehem, Pennsylvania. I am appearing before you today representing the National Association of Rehabilitation Facilities (NARF). I currently serve on NARF's Board of Directors.

NARF is a national organization of rehabilitation facilities with more than 400 institutional members. Members provide a range of comprehensive rehabilitation services to more than 200,000 handicapped people annually. These members include comprehensive rehabilitation hospitals, rehabilitation units of acute care hospital, vocational rehabilitation centers,outpatient rehabilitation units of acute care hospitals, sheltered workshops, outpatient rehabilitation facilities and work activity centers.

Rehabilitation facilities play a unique role in the rehabilitation community in that they utilize a wide variety of local, state and federal sources to provide rehabilitation services and employment related services to mentally and physically disabled persons. While the Rehabilitation Act continues to play an important role in local rehabilitation programs, there are many other programs which play an increasing role in rehabilitation. NARF would like to address these programs that are under the Subcommittee's jurisdictions which impact on the rehabilitation of disabled persons.

NARF is a member of the Budget and Appropriations Task Force of the Consortium for Citizens with Developmental Disabilities. NARF endorses the recommendations of the task force.

It is the recommendation of the National Association of Rehabilitation Facilities that the following programs be funded for fiscal year 1986 at the following levels:

- o Job Training Partnership Act - Block Grants - $1.968 billion;
- o Job Training Partnership Act - Pilots and Demonstrations - $21.6 million;
- o Vocational Rehabilitation State Grants - $1.203 billion;
- o Projects With Industry under Rehabilitation Act - $15.2 million;
- o Training under Rehabilitation Act - $31 million;
- o Independent living programs under Rehabilitation Act - $53 million;
- o Special Demonstration Projects under Rehabilitation Act - $14.6 million;
- o National Institute for Handicapped Research - $44 million;
- o Special Education State Grants - $1.347 billion;
- o Secondary Education and Transitional Programs - $6.66 million;
- o Vocational Education - $835.3 million;
- o Developmental Disabilities State Grants - $53.4 million;
- o Developmental Disabilities Protection and Advocacy, University affiliated programs and special projects - $27 million.
- o Title XX - Social Services Block Grant - $3.420 billion
- oAlcohol, Drug Abuse and Mental Health Block Grant - $545 million;
- o Community Development Block Grant - $3.262.

We realize that these recommendations may be affected by the budget process currently under way. Our recommendations are based on current authorization levels or authorizations currently pending before Congress.

There are several programs that NARF feels deserve special consideration. Included are programs which the Administration plans to cut. They include programs such as Projects With Industries and JTPA national programs which have been shown to be very cost effective.

The Projects With Industry (PWI) program authorized contracts or jointly-financed cooperative agreements for projects designed to prepare disabled individuals for gainful employment. PWI is part of an overall rehabilitation program but with more emphasis on the placement. Last year, 98 PWI projects were funded at $14.4 million. Over 11,000 placements made this a very successful job-training program. Placement retention rates were over 75 percent. The average annual wage for PWI graduates was $9,000; total income for persons placed by the program was $78 million. Taxes paid by PWI graduates alone offset the cost of the program.

NARF recommended an appropriation of $15.2 million for PWI for fiscal 1986. THe success of PWI and its positive cost-benefit ratio justify the modest increase in funding. The Administration has recommended $13 million for FY 1986, a 9% reduction from current funding levels of $14.4 million. This reduction would not only limit expansion of this successful program, it would reduce funds for existing PWI projects thereby directly curtailing the number of disabled people who become gainfully employed. Using the Congressional Budget Office inflation projection of 4.4%, an FY 1986 appropriations at the authorized level ($15.2 million) will provide for only a 1.1% real increase in finding for this proven employment program.

The President's budget recommended level funding for block grants under The Job Training Partnership Act and no funding of pilots and demonstration. Budget proposals being considered by the Senate could reduce federal funds available to the states for job training. Severely disabled persons have had more difficulty participating in JTPA than in its predecessor CETA because of reduced funding and more emphasis on perfomance standards. Further cuts in any JTPA funding will only further jeopardize the involvement of disabled persons in JTPA programs.

Seven national projects for the disabled funded under the Pilots and Demonstrations Account have been in the forefront of designing and delivering costs effective programs addressing the specific training and placement needs of disabled individuals. These programs are administered by NARF, Association for Retarded Citizens, Electronic Industries Foundation, Goodwill Industries of America, The Epilepsy Foundation of America, Mainstream Inc. and Federation of the Blind. The Department of Labor has announced its intention to discontinue these programs as well as all other national pilots and demonstration.

Continued federal support for these programs is particularly important in light of Congressional passage of the Developmental Disabilities Amendment of 1984 which requires State Developmental Disability Councils to provide employment-related services. If additional resources to meet the documented employment needs of the disabled are not provided, then at a minimum, the program component of JTPA which provides services to disabled individuals should be maintained at the current level.

Over the past four years there has been reduction or very little growth in many of the federal programs impacting disabled persons and rehabilitation programs. The efforts of this Subcommittee have been instrumental in preserving these programs and for basic state grants for special educational and vocational rehabilitation, restored some of the funding lost to inflation. This year will again be a difficult year for maintaining needed and cost effective programs for disabled persons. NARF will be glad to assist the subcommittee and staff in accomplishing that objective.

## STATEMENT OF REV. HAROLD WILKE, MEMBER, BOARD OF DIRECTORS, REHABILITATION INTERNATIONAL-USA

Senator WEICKER. The next witness is the Rev. Harold Wilke, member of the Board of Directors of Rehabilitation International-USA.

Reverend Wilke, we are happy to have you with us.

Reverend WILKE. Senator Weicker, we are grateful in the rehabilitation community generally for the support, emotionally and spiritually and economically, that you have provided.

I am here today as a volunteer. I have been, in a sense, part of the rehabilitation community, but in all of my life I have been fortunate enough not to have to turn to any rehabilitation facility, to any government service, or anything like that. That has given me a kind of perspective in which I can see, without a vested interest at all, at least an economic vested interest, something of the values in rehabilitation in the community of the disabled.

I want today to talk from the position of the international. My colleagues here represent largely the concern at the national USA level. We are concerned about that and the outreach that we can have abroad, and also what we learn from abroad is what Rehabilitation International-USA provides.

This is under a grant from NIHR, and we are asking that language be so changed that this grant may indeed continue.

Senator, it was my privilege some years ago, in the first month of the first administration, to be in the Oval Office where the President said that 35 million disabled Americans are our most underutilized national resource. From the point of view of Rehabilitation International-USA, we can say also, extrapolating that data out abroad, that 450 million persons around the world are a most important international world resource. It is that kind of concern that we want to put across.

We provide through our organization, of which I am a member of the Board of Directors, such as a film library, as print media in various ways, magazines, and others, international exchange in rehabilitation. I have just come from India and have seen personally some of the ways in which American rehabilitation expresses itself abroad. I have seen, interestingly enough, in India, the ways what has been developed abroad has been of tremendous importance here in America.

The support for voluntary agencies, the recognition of other aspects of disability is also part of our work. It is our hope that you will continue to make it possible, in the language change, for the continued support of Rehabilitation International-USA.

Thank you.

Senator WEICKER. Thank you.

Just one very brief question. Your organization does not operate within the United States, but rather throughout the world?

Reverend WILKE. We operate within the United States. Our outreach is also abroad, heavily abroad, so that in a sense we represent the international aspect of rehabilitation, along with other groups, too. At the voluntary level, it is ours that is at work.

Senator WEICKER. How do you find the United States in relation to other nations of the world as to the state of the art?

Reverend WILKE. Way ahead.

Senator WEICKER. We are ahead.

Reverend WILKE. Yes.

Senator WEICKER. This is something that we can export, in other words, that should gain a good deal of goodwill around the world.

Reverend WILKE. We have excellent competitors in West Germany, and a number of others, but I am proud of our work abroad as I see it.

Senator WEICKER. That is great, and we will try to stay there.

Thank you very much.

### PREPARED STATEMENT

Reverend WILKE. Thank you very much, Mr. Chairman, for your attention.

[The statement follows:]

## STATEMENT OF REV. HAROLD WILKE

Thank you for this opportunity to appear before this Subcommittee to share with you my concerns about the involvement of the United States in international rehabilitation issues. You will hear from many witnesses about many aspects of rehabilitation. However, I doubt that anyone else will address these issues at an international level.

The United States has a long and distinguished history of leadership in rehabilitating persons with physical and mental disabilities. That tradition continues with great strides in technology, education and independent living. We have much knowledge and experience to share. The rest of the world also has much to share with the United States. Other nations have developed techniques, devices, and concepts that are improving the quality of life for millions of disabled persons. It is this need to work together on a global basis toward a mutual goal for disabled persons that I want to address.

This subcommittee needs to be aware of international issues. They are an important part of the field of rehabilitation. You also need to be aware that funding priorities could threaten U.S. participation in international rehabilitation issues.

The field of rehabilitation has its own version of the United Nations known as Rehabilitation International. Headquartered in New York, Rehabilitation International is patterned after the United Nations. Rehabilitation International has 120 member organizations from 80 nations. Rehabilitation International acts as the world forum for the exchange of information and expertice over a broad economic and political spectrum with countries ranging from the United Kingdom to Zimbabwe participating fully in Rehabilitation International activities.

The United States has always played a leading role in Rehabilitation International activities. Since 1972 RI-USA has been an official U.S. affiliate to Rehabilitation International. RI-USA contributes financially to Rehabilitation International as part of the U.S. assessment.

RI-USA plays an important part in Rehabilitation International's activities. There are several individuals from RI-USA who participate in the leadership of Rehabilitation International. Sandra Swift Parino, Chairperson of the National Council on the Handicapped and a RI-USA Board member serves as the Vice President for North America.

RI-USA was formed in 1972 to serve as the umbrella organization to represent U.S. rehabilitation programs in the U.S. in relationship to the worldwide Rehabilitation International network. Through its Board of Directors and Council of Organizations and Advisory Board, RI-USA represents the broadest spectrum of rehabilitation programs. The cover sheet to this testimony lists the individuals and organizations that govern and guide RI-USA. They are the leaders in U.S. rehabilitation programs.

National rehabilitation agencies work with Rehabilitation International, USA through its Council of Organizations. Combined, these organizations represent millions of professionals, people with disabilities, and volunteers. RI-USA also includes government agencies, service organizations professional associations, consumer/advocacy groups, and university centers.

In addition to being the official U.S. representative to Rehabilitation International, RI-USA is an important link between rehabilitation programs in the United States and those in other countries. Present activities and programs of Rehabilitation International, USA include:

(1) Assisting foreign dignitaries and professionals with site visits to American rehabilitation facilities;

(2) Organizing and/or participating in international meetings and conferences and representing U.S. perspectives within these forums;

(3) Building and maintaining the world's largest lending film library in rehabilitation;

(4) Publishing several periodicals and directories such as Rehabilitation World, the International Directory of Access Guides, the Host Directory the Rehabfilm Newsletter, and the Rehabfilm Rental Catalogue.

These activities, collectively, give American rehabilitation professionals and disabled individuals access to international issues which impact on their lives and professions.

There are many other areas in which RI-USA could and should be more involved including: international exchange and technical assistance programs, cross-cultural analysis of rehabilitation practices and systems, and the provision of support services to federal agencies impacting on issues of international consequence for the disabled. Financial restraints are the primary reason RI-USA cannot engage in these activities. In fact, lack of adequate financial support threatens, as early as September 1985, Rehabilitation International, USA's very existence.

RI-USA depends on a variety of funding sources. RI-USA receives funds from individual and corporate contributions, dues from the Council of Organizations, subscriptions, film rentals, and special fundraisers. These self supporting methods provide more than half of RI-USA's income. For the past three years RI-USA has received support from the National Institute for Handicapped Research. For the current fiscal (FY85) year RI-USA will receive $175,365.

This grant from NIHR is used to support RI-USA in all of its activities including publications, the film library, administration, and the costs associated with being an official affiliate to Rehabilitation International. Without the current level of federal support RI-USA would have to discontinue its major publications and terminate the film program. This would result in the immediate loss of subscription income, film rentals and advertising; a sizeable portion of RI-USAs income. If these activities are terminated, the individual and corporate memberships would undoubtedly drop dramatically. The end result would be too little income to sustain any meaningful programs. RI-USA has been informed by NIHR that it does not intend to renew RI-USA's grant for FY 1986.

Relatively little assistance is provided by the federal government for international rehabilitation activities. NIHR does provide some funding for the World Rehabilitation Fund. Additionally NIHR is an affiliate to Rehabilitation International and also pays toward the U.S. assessment of Rehabilitation International. The Department of State, through the Agency for International Development, does support a few specific service delivery programs overseas.

The Rehabilitation Services Administration and the National Institute for Handicapped Research, have in the past, had an interest in international rehabilitation. However, that focus, including financial support, has diminished. RI-USA needs the commitment from RSA and NIHR that international rehabilitation issues need to be addressed.

RI-USA also needs the financial assistance of the federal government to adequately represent the United States within Rehabilitation International and other international forums.

With a primary focus on international relations, Rehabilitation International, USA has: (1) ensured the effective exchange of rehabilitation information, (2) encouraged national legislation in compliance with international treaties, (3) represented U.S. interests, positions, and perspectives in international assemblies and conferences, (4) facilitated the exchange of experts to and from the United States and the international rehabilitation community, and (5) provided technical assistance in areas of related interest through its national and international networks and affiliations.

While it is certainly appropriate for NIHR to be an affiliate to Rehabilitation International as the official federal government representatives, it is also imperative that the consumer groups and private rehabilitation sector be officially represented. RI-USA's broad membership of national rehabilitation organizations, rehabilitation hospitals and facilities, rehabilitation doctors and other professionals, disabled individuals, and educational institutions make it the best existing organization in the U.S. to represent our country in these international forums.

To the best of my knowledge, Congress has not addressed the funding needs for a U.S. presence in international rehabilitation in recent memory. On behalf of the Board of Directors and the Council of Organizations of Rehabilitation International, USA, I ask that the Appropriations Subcommittee on Labor, Health and Human Services, and Education consider addressing this need in the fiscal 1986 appropriations bill.

RI-USA is well aware of the funding restraints that Congress is facing this year. RI-USA is not asking for any additional funds for itself or NIHR. Rather RI-USA respectfully requests that the report to accompany the appropriations bill for the Department of Education contains language that would insure continued support from NIHR. Continuation of the current level of funding will allow RI-USA to continue its current activities and to continue its efforts to fund more of its activities from private sources.

The staff and board of RI-USA will be glad to provide you with additional information. Thank you for this opportunity to appear before you.

## STATEMENT OF DR. SAMUEL GENENSKY, M.D., DIRECTOR, CENTER FOR THE PARTIALLY SIGHTED

Senator WEICKER. Our next witness is Dr. Samuel Genensky, director of the Center for the Partially Sighted.

Dr. GENENSKY. I am Dr. Samuel M. Genensky, and I am the executive director of the Center for the Partially Sighted. I come before you today to argue in favor of the creation of a national information referral and training center for the partially sighted.

In 1980, the partially sighted numbered about 2 million in this country, and about one out of five of them is legally blind. An examination of the legally blind population reveals that better than three out of four legally blind people are partially sighted.

I, myself, am partially sighted and I have been since shortly after birth; 70 percent of the legally blind see better than I do, yet I have always functioned like a sighted person. True, I went through school, through college and graduate school, with a pair of binoculars in one hand, looking at the chalkboard and taking my notes, but I never had to resort to the traditional elements that are used by the functionally blind, namely, Braille, guide dogs, canes, or readers.

I tell you this not to bolster my ego but to point out that partially sighted people are distinctly different from functionally blind people.

The center that I have in mind would provide information and referrals to partially sighted people all over the country related to existing facilities that could assist them, would help in the establishment of such facilities, including training these people who would run the facility in how to raise funds in the private sector so as not to overburden the public sector. It would train professionals and paraprofessionals to use their special skills to assist partially sighted people in making it in society.

I am happy to report that from the experience of our center, we have found that if partially sighted people are given services in an outpatient setting, where visual enhancement is emphasized, this can be done at considerably less cost than if they are treated at State run or operated facilities that would treat them as if they were functionally blind.

In 1983–84 in the State of California, I found that my costs at the center for new patients served ran between 7.2 and 16.7 percent of what it would have cost to serve these same people at three of the distinguished facilities in the State that emphasize visual substitution.

Further, at our center, we have also shown that you can run your facility raising considerable funds in the private sector. We started out with Federal money, but I am happy to say that in the last 3 fiscal years, we have been able to raise better than 50 percent of our money in the private sector.

In addition, the national need is there. As a result of two items that appeared in Modern Maturity magazine, our center has received 11,000 requests for assistance from every State in the Union, and from the provinces of our neighbor, Canada. All of those requests for assistance have been answered. Wherever possible and whenever appropriate, we referred the people who wrote to us for services as close to where they live as possible. Unfortunately, as close to where they live as possible, in many instances, turned out to be many hundreds of miles away.

While I hope that on the basis of what I have said, you will recognize the difference between partially sighted people and functionally blind people, and you will agree that we need a national center to help the partially sighted.

### PREPARED STATEMENTS

Senator WEICKER. Thank you very much for your testimony, Dr. Genensky. I greatly appreciate it.

Dr. GENENSKY. Thank you, sir.

[The statements follow:]

## Statement of Dr. Samuel Genensky

I am Dr. Samuel M. Genensky, and I am the executive director of The Center for the Partially Sighted in Santa Monica, California. I come before you today to urge the establishment of a national information, referral, and training center for the partially sighted.

In 1980 there were 1.95 million partially sighted Americans. Approximately one-fifth of them were classified as legally blind. Further, more than three-fourths of the nation's 500 thousand legally blind have useful remaining sight.

Historically, and unfortunately even today, partially sighted people are either offered no services at all or they are offered assistance that is at best suitable for the totally blind.

I myself am severely partially sighted and I have been since shortly after [illegible]th when someone in the hospital in which I was born mistakenly put potassium or sodium hydroxide in my eyes thinking it to be silver nitrate. More than 70 percent of the legally blind see better than I do. Yet I have always functioned like a fully sighted person. Admittedly I used a pair of binoculars in high school, college, and graduate school to see the chalkboard and take notes from it, but I found no need to employ visual substitution devices and techniques such as braille, readers, a guide dog, or a cane during or since my years of education, including those in which I earned a Ph.D. in applied mathematics at Brown University and worked as a research mathematician at the Rand Corporation in Santa Monica.

I tell you all this not to puff up my ego but to illustrate the fact that even a little residual vision is precious, and when it is used with appropriate low vision visual aids it can expand the educational, vocational, and social opportunities of our nation's partially sighted.

I say this because it has been shown that when partially sighted people are provided with appropriate low vision visual aids, are trained to use those aids and have the will to utilize them, nearly all of these people, including those who are also legally blind, can cope successfully with such sight intense tasks as (1) reading ordinary ink printed material, (2) writing with a pen or pencil, (3) moving about alone in even unfamiliar places without the help of a guide dog,

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a cane or a fully sighted guide, and (4) yes, viewing a chalkboard and taking notes from that chalkboard. This has been our experience at The Center for the Partially Sighted, and it has also been the experience at the few other comprehensive visual rehabilitation centers in our country, and at low vision optometric and ophthalmological clinics and in private optometric and ophthalmological low vision practices throughout America. Thus I believe it is fair to say that the vast majority of the partially sighted, and yes, the vast majority of the legally blind, are not blind.

Further, my own research has shown that very few partially sighted people, including those who are also legally blind, will ever become functionally blind, that is will ever have to live as if they were totally blind.
Unfortunately, there are all too few persons and organizations that currently offer partially sighted people services that permit and encourage them to use their remaining eyesight, together with appropriate visual aids, to enter, re-enter, or remain within the world of the fully sighted. There are even fewer people and organizations that offer partially sighted people services such as individual, family, and group counseling; orientation and mobility training; and independent living skills instruction that recognize the value of remaining eyesight and that encourage and foster its use by the partially sighted.

The national center that I urge you to bring into existence will:

1. Collect and disseminate referral information concerning existing low vision care, including comprehensive centers, low vision clinics, and competent individuals who include low vision care in their private ophthalmological and optometric practices;

2. Collect and analyze patient data obtained by our Center and other low vision facilities in order to derive information that would be of value to researchers, service providers, and the partially sighted themselves;

3. Provide advice, guidance, and assistance to qualified individuals and organizations that desire to establish and operate low vision facilities;

4. Provide fund-raising counsel that emphasizes the acquisition of support from the private sector and thus reduces the necessity of dependency upon scarce tax dollars;

5. Inform and sensitize professionals and paraprofessionals who work with or are interested in working with the partially sighted as to their special needs and how they differ from the fully sighted and the functionally blind, the problems they tend to encounter, and possible solutions to those problems;

6. Provide information and guidance to partially sighted individuals and their families and the general public regarding the points cited in Item 5, and including information about various visual diseases, their prognoses and their prevalence; low vision visual aids and their value; and information as to where partially sighted people can obtain various types of services; and

7. Train professionals and paraprofessionals (including, for example, ophthalmologists, optometrists, clinical psychologists, orientation and mobility instructors, daily living skills instructors, rehabilitation counselors and teachers of the visually handicapped) to bring their special skills to bear to help their partially sighted patients/clients to understand, for example, that partial sightedness is profoundly different from functional blindness, that residual vision has value, and that when it is used together with appropriate low vision visual aids it can permit them to perform visually intense tasks that are important to them and that they could not otherwise cope with successfully because of their limited eyesight.

Appendices A and B indicate current Center national activities in these areas. Appendix A details recent staff networking and outreach presentations, and Appendix B lists training and technical assistance activities.

At The Center for the Partially Sighted in Santa Monica we have shown that services can be provided on an outpatient basis at significantly less cost than at state run or funded agencies that operate in residential settings and that emphasize visual substitution rather than visual enhancement. For example, in FY 1983-84 the cost per new patient served at our Center ran between 7.2 and 16.7 percent of what it would have cost to serve these same people at three distinguished state operated or funded residential facilities and in FY 1984-85 those percentages are expected to range between 8.4 and 20.1 percent. (Please see Table 1.)

Table 1

Funding and Persons Served or Projected to be Served by OCB, VIP, LSC & CPS in FY 1983-84 and FY 1984-85 and the Ratios of Cost per New Client Served at OCB, VIP and LSC to the Cost per New Patient served at CPS

| | FUNDING FY 1983-84 | PERSONS GOING THROUGH PROGRAM | FUNDING FY 1984-85 (PROJECTED) | PERSONS GOING THROUGH PROGRAM (PROJECTED) |
|---|---|---|---|---|
| OCB | $1,428,000 | 82 | $1,466,000 | 84 |
| VIP | $510,804 | 65[1] | $510,804 | 70[2] |
| LSC | $232,989 | 31[3] | $232,989 | 22[4] |
| CPS | $690,100[7] | 551[5] | $820,000[8] | 560[6] |

| | FY 1983-84 | FY 1984-85 |
|---|---|---|
| OCB/CPS | 13.90 to 1[9] | 11.92 to 1[9] |
| VIP/CPS | 6.27 to 1[9] | 4.98 to 1[9] |
| LSC/CPS | 6.00 to 1[9] | 7.23 to 1[9] |

OCB - Orientation Center for the Blind, Albany, CA
VIP - Vocational Independence Program, Los Angeles, CA
LSC - Living Skills Center, San Pablo, CA
CPS - The Center for the Partially Sighted, Santa Monica, CA

[1] This number represents the number of people in the residential program in FY 1983-84. One hundred clients were interviewed to determine their eligibility for the residential program, and 62 clients were given placement services only.

[2] This number represents the number of people projected to be in the residential program in FY 1984-85. One hundred clients are projected to be interviewed for the residential program. No estimate was given as to how many clients are expected to receive placement services only.

[3] An additional 44 clients were given community resource assistance outside of the residential program relative to family conferences and advocacy at the LSC in FY 1983-84.

[4] In addition, it is estimated that some 60 clients will receive community resource assistance outside of the residential program at the LSC during FY 1984-85.

[5] CPS gave services at its facilities to between 800 and 900 patients in FY 1983-84. All new patients went through the standard program and continuing patients received one or more of the following services: an annual or semi-annual low vision check-up; individual, family or group counseling; orientation and mobility training; and direction regarding other community services. In addition, the Center provided indirect assistance by phone and mail to more than seven thousand partially sighted people who live elsewhere in the nation.

[6] It is estimated that between 800 and 900 patients will come to CPS for assistance in FY 1984-85, 560 of whom will be new patients. In FY 1984-85 the CPS program was expanded to include training in daily living skills, in addition to those direct and indirect services offered in 1983-84.

[7] The total expenditures of CPS in FY 1983-84 were $690,100; 54.4 percent of these expenses were met via gifts and donations from private individuals, foundations and corporations and an annual fund-raising dinner-dance known as the "Night for Sight," 27.5 percent via the $190,000 grant from the state of California, 9.1 percent via patient fees and the sale of visual aids, 6.7 percent via a federal research grant from the Administration on Aging to study peer volunteers in service delivery, 1.5 percent via a grant from the city of Santa Monica, and 0.7 percent via interest on monies in banks and certificates of deposit.

[8] The total expenditures of CPS in FY 1984-85 are expected to be about $820,000; 52.6 percent of which is expected to be met via gifts and donations from private individuals, foundations and corporations, and a fund-raising dinner-dance called the "Night for Sight," 36.0 percent will be met via the $295,000 grant from the state of California, 8.5 percent via patient fees and the sale of visual aids, 1.3 percent via a research grant from the federal Administration on Aging to study peer volunteers in service delivery, 1.3 percent via a grant from the city of Santa Monica, and 0.3 percent from interest on monies in banks and certificates of deposit.

[9] Ratio of the number of dollars expended per new client served by the agency noted at left to the number of dollars expended per new patient served by CPS in the noted year. Example: ($1,428,000)(551)/($820,000)(82) = 13.90

Further, at our Center we have also shown that although federal funding was needed to establish and initially operate the Center, we were able to obtain state and private funds to continue our operations when federal support disappeared in 1980-81. However, I do believe that although the proposed national center should be encouraged to seek private funding to begin, say five to seven years after it is established and operating, I anticipate that it will continue to need some federal financial support throughout the following years because the private sector is not able to underwrite all of the cost of such a facility and because state support cannot be expected due to the national scope of the proposed center.

You may ask how we know that there is a need for a national center. We know the need exists. For example, in response to two items from our Center in Modern Maturity magazine in 1982 and 1984, our Center has received over 11,000 requests for help from all over the nation. Table 2 gives a geographical breakdown of 3,575 inquiries received during the last eight months of calendar 1984. Each time our Center has media coverage, either in print or on radio or TV, we receive phone calls and letters from people who are desperate for help and guidance for themselves or their visually impaired loved ones. Appendix C contains a small sampling of recent letters requesting assistance.

Table 2

RESPONSES RECEIVED APRIL THROUGH DECEMBER 1984 TO
ARTICLE IN APRIL/MAY 1984 ISSUE OF MODERN MATURITY MAGAZINE*

| State/Country | Total | State/Country | Total | State/Country | Total |
|---|---|---|---|---|---|
| Alabama | 23 | Maine | 32 | Pennsylvania | 208 |
| Alaska | 4 | Maryland | 51 | Rhode Island | 14 |
| Arizona | 94 | Massachusetts | 61 | So. Carolina | 23 |
| Arkansas | 33 | Michigan | 100 | So. Dakota | 10 |
| California | 389 | Minnesota | 45 | Tennessee | 34 |
| Colorado | 42 | Missouri | 68 | Texas | 149 |
| Connecticut | 72 | Mississippi | 13 | Utah | 12 |
| Delaware | 9 | Montana | 14 | Vermont | 4 |
| Dist. of Columbia | 9 | Nebraska | 19 | Virginia | 60 |
| Florida | 366 | Nevada | 17 | Washington | 81 |
| Georgia | 40 | New Hampshire | 6 | West Virginia | 18 |
| Hawaii | 4 | New Jersey | 135 | Wisconsin | 65 |
| Idaho | 9 | New Mexico | 23 | Wyoming | 7 |
| Illinois | 217 | New York | 340 | Puerto Rico | 1 |
| Indiana | 45 | No. Carolina | 53 | Switzerland | 1 |
| Iowa | 39 | No. Dakota | 7 | Israel | 1 |
| Kansas | 31 | Ohio | 153 | Nova Scotia | 1 |
| Kentucky | 22 | Oklahoma | 29 | Sub Total: | 3.390 |
| Louisiana | 30 | Oregon | 57 | Special Inquiries: | 185 |
|  |  |  |  | Grand Total: | 3.575 |

*Additionally, 185 inquiries required special attention, bringing the total to 3.575 for this period. .

It should be noted that every request for help is answered, and when appropriate, we refer the writer to the nearest source of quality care that we know of. Unfortunately in all too many cases that care is located hundreds of miles from the partially sighted person. The need is great, the resources are small, but the dedication of the relatively small number of professionals in the field is limited only by our limitations as human beings.

In summary, when the proposed national information, referral, and training center is established and operating, we can look forward to it:

(1) providing information and referral services to more than 93 percent of our nation's visually impaired and more than 75 percent of our nation's legally

blind that will lead to their receiving services at significantly less cost per patient served than would be the case if these same people were served by organizations and agencies that would treat them as if they were totally blind; and

(2) training professionals and paraprofessionals to be sensitive to the special needs of the partially sighted, and to bring their particular skills to bear in working successfully with visually impaired persons who have useful remaining sight.

## Appendix A

## JULY 1984 - APRIL 1985

July

| | |
|---|---|
| Council of Citizens with Low Vision National meeting, Philadelphia, PA | Panel discussion on low vision |

August

| | |
|---|---|
| Westside Interagency Coalition | Participation in meeting |
| Braille Institute, Los Angeles City College, California Department of Rehabilitation Hollywood Office, Hollywood Multi-purpose Center, Library Services to Shut-ins | Staff networking visits |
| "Barrier Free" program at Los Angeles County Museum of Art | Participation of Center patients and staff |

September

| | |
|---|---|
| Vincent White, O.D., President Los Angeles County Optometric Association | Presentation and tour of Center |
| Foundation for the Junior Blind, Blind Children's Center | Staff networking visits |
| California Department of Rehabilitation, Los Angeles area counselor/teachers | Inservice presentation |

October

| | |
|---|---|
| Westside Interagency Coalition | Participation in meeting |
| Santa Monica Disability Awareness Day | Participation in preparatory meeting |
| Indiana Optometric Association, Bloomington, Indiana | Keynote address for annual statewide meeting of optometric association |
| Public Interest Radio and Television Educational Society | Staff networking and participation in meeting |

November

| | |
|---|---|
| Eagle Rock Women's Club | Presentation to organization |
| Santa Monica Emeritus College | Presentation to class |
| Santa Monica Jewish Family Service | Tour of Center |

December

| | |
|---|---|
| American Academy of Optometry National meeting, St. Louis, MO | Course for optometrists interested in low vision services |
| Santa Monica Community Services Day Santa Monica Mall | Participation and representation |
| Blind Children's Center | Staff networking visit |
| Public Interest Radio & Television Educational Society | Staff networking and participation in meeting |

January

| | |
|---|---|
| Commission on Older Americans, Santa Monica | Participation in meeting |
| Robert Lingua, M.D., Santa Monica, and Sherwin Isenberg, M.D., Jules Stein Eye Institute | Outreach to pediatric ophthalmologists |

February

| | |
|---|---|
| Frances Blend School | Presentation to 40 parents of visually impaired children |
| Center psychological support groups | Joint meeting of Center's two weekly support groups with Gerald Felando (Torrance), whose interests include older people and disabled people. |
| Sharon Spooner, M.D., Pacific Palisades and Arthur Rosenblum, M.D., Jules Stein Eye Institute | Outreach to pediatric ophthalmologists. |
| Public Interest Radio & Television Educational Society | Staff networking and participation in meeting. |
| Directors of Volunteers in Agencies (DOVIA) | Staff networking and participation in meeting. |

March

| | |
|---|---|
| Parents of partially sighted children | Open House, at the Center for the Partially Sighted, for parents of partially sighted children, including both current patients and nonpatients. |
| Bronwyn Bateman, M.D., Jules Stein Eye Institute | Outreach to pediatric ophthalmologists. |
| CTEVH Conference (California Transcribers and Educators of the Visually Handicapped) | Networking with professionals who work with the visually impaired. |
| Public Interest Radio and Television Educational Society | Staff networking and participation in meeting. |
| Jack Ralph, publications specialist, Washington, D.C. | Discussions relative to print needs of partially sighted and older people. |
| SHARE Foundation | Outreach presentation to Board members relative to special needs of and services for partially sighted children. |
| Ruth Yannatta Goldway American Medical International | Inservice presentation |

April

| | |
|---|---|
| Public Interest Radio and Television Educational Society | Staff networking and participation in meeting |
| 2nd Annual Time of Your Life Expo, Los Angeles Convention Center | Exhibit at 3-day expo designed for senior citizens |
| Santa Monica Hospital Medical Center | Presentation to 50 hospital staff members |
| Health Care Public Relations and Marketing Association | Staff networking and participation in meeting |
| Los Angeles County Museum of Art | Staff networking with museum staff regarding special program for visually impaired |
| Directors of Volunteers in Agencies (DOVIA) | Staff networking and participation in meeting |

Future activities include talks to:

Arizona Low Vision Society, Tempe, Arizona

Low Vision Council of Southern California

Members of graduating class of Santa Monica College Licensed vocational nursing program

Parents of children who are enrolled at the Blind Childrens Center, Los Angeles

Annual meeting of the American Association for the Advancement of Science -- "Frontiers in Science and Technology to Aid Disabled People"

1985 graduates (commencement speech) of the State University of New York College of Optometry, New York City

Regional meeting of "Handicapped Physicians," Anaheim, California

Pacific Palisades Rotary Club, Pacific Palisades, California

Annual meeting of Parents of Visually Impaired Children, Riverside, California

Annual meeting of the Montana Association for the Blind, Bozeman, Montana

## Appendix B

## TRAINING AND TECHNICAL ASSISTANCE, NATIONAL
July 1984 - April 1985

July

| | |
|---|---|
| Ventura College class | Inservice presentation |

August

| | |
|---|---|
| Westside Center for Independent Living | Inservice presentation to staff |
| Jules Stein Eye Institute | Inservice for ophthalmological residents and Bradley R. Straatsma, M.D. Director of the Institute |
| Westside Center for Independent Living | Inservice for staff |
| A. Ugbolue, M.D., Boston University School of Medicine | Inservice/introduction to CPS services |

| | |
|---|---|
| UC San Diego Ophthalmology Department | Inservice presentation about low vision to members of staff and residents. |

September

| | |
|---|---|
| Jewish Federation Council | Presentation for 40 professionals who work with older and/or visually impaired. Sponsored by Jewish Federation Council and Jewish Braille Institute. |
| Davidson/Yuen Architects, Vancouver, British Columbia<br>Scott Gordon/John Davidson | Technical assistance to members of firm interested in solving architectural barriers for partially sighted and older persons. |
| Partial Vision Center, La Jolla<br>William Duinnel/Elizabeth McKee | Technical assistance to staff members interested in low vision services. |
| UC San Diego Ophthalmology Department<br>Veterans Administration Hospital<br>La Jolla - Stuart Brown, M.D., Chairman, Department of Ophthalmology<br>Martin Gellman, O.D., Assistant | Inservice presentation and technical assistance. |
| Douglas Haverty and Associates | Technical assistance to author and cast members of play about a visually impaired young woman, "In My Mind's Eye". |

October

| | |
|---|---|
| Debra McConnaha, O.D. | Inservice and technical assistance |
| Oracle Films - Dennis Passaggio | Technical assistance for a film in preparation about emotional problems of visually impaired individuals. |
| San Diego Center for the Blind<br>Warren Simon | Inservice and technical assistance. |
| Spectrum Films - Gloria/Robert Turner | Technical assistance for a film in preparation for professionals working in the field of gerontology (sequence filmed at Center) |

November

| | |
|---|---|
| Southern California College of Optometry, Fullerton | Lecture to optometric students. |
| Blind Ambitions - Chad Hazen/Richard Williams | Technical assistance for new organization. |
| Nicholas James Rumney | Inservice and technical assistance for low vision professional visiting from Melbourne, Australia. |
| California Department of Rehabilitation | Inservice and technical assistance for counselor/teacher |

January

| | |
|---|---|
| Didi Hirsch Mental Health Center | Presentation to psychological interns on psychological adjustment to low vision. |

February

| | |
|---|---|
| Barbara Stegner, Visual Services, Helena, Montana | Four-day training in low vision at Center. |
| Workshop sponsored by Center: "Caring for the Visually Impaired Older Adult: General Considerations for Activity Programs" | One-half day workshop at the Center, for staff members of social service agencies, convalescent homes, retirement homes, etc. |
| Southern California College of Optometry, Fullerton, CA | Lecture to optometric students. |
| Class from California State University, L.A., for orientation and mobility instructors and teachers of the visually impaired. | Inservice presentation and training for 20 students. |
| California Department of Rehabilitation | Inservice and technical assistance for counselor/teacher. |
| Blind Children's Center | Inservice and technical assistance for staff members of Blind Children's Center. |

March

| | |
|---|---|
| Dagmar Friedman, ACSW, Rehabilitation Consultant, Boston, Mass. | Inservice/introduction to CPS services. |

April

| | |
|---|---|
| Ellen Blalock, Montana Low Vision Services, Helena, Montana | Inservice and technical assistance to coordinator of small part-time low vision clinic |
| Orientation and mobility instructors from Braille Institute, Los Angeles | Inservice and technical assistance to six orientation and mobility instructors |
| California Department of Rehabilitation, Los Angeles area | Inservice presentation to approximately 50 Department of Rehabilitation personnel |
| Betsy Mazursky, Freda Mohr Senior Center | Inservice and technical assistance to senior citizens' counselor |
| Barkley Lee, O.D. | Inservice presentation and tour of Center |

## Appendix C

April 9, 1984

Jessup, PA 18434

Samuel W. Genensky, PhD
Executive Director
Center for the Partially Sighted
919 Santa Monica Boulevard Suite 200
Santa Monica, CA 90401

Dear Dr. Genensky,

I read your article in Modern Maturity, April-May issue on p.5 and my husband and I are specifically interested in the problem you describe.

My husband, has Macular Degeneration and has had treatment at the Retina Associates Institute, Boston, Ma.

Also he has a telescopic lens from the Low Vision Aids section of the Institute and a pair of glasses for reading.

The telescopic lens was never properly fitted and never helped him in any way. Several optometrists and our local opthalmologist agree that the telescopic part of the lens is placed too high. We went back to Boston and explained this to Dr. Immerman, but no adjustment, except spreading the nose piece was suggested or made. He still gets no help from the lens.

He is very pleased with the medical treatment he received at the Institute but is dissatisfied with the Low Vision Aids department.

When we go to a sporting event John uses ordinary binoculars and can see fine.

We are desperately looking for another Low Vision Aids Institute or a doctor who is specially trained in this area.

We live in Jessup, PA, which is seven miles north of Scranton,PA. Traveling in the east is no problem, and we would appreciate any information regarding doctors or Low Vision Aid agencies which might help us.

Enclosed is a stamped self addressed envelope as per directions in the article.

Thank you and

Sincerely yours,

---

18 April, 1984

Dear Dr. Genensky:

May I take advantage of your kind offer in Modern Maturity? I am 83, a retired university professor, still in good physical and mental health but a hemorrage destroyed my left eye (laser treatment did not help), and while the remaining eye is quite serviceable, I am unable to acquire proper glasses for reading and typing. I am still active as a writer and would very much like to continue, otherwise life would have little meaning.

I consulted three ophthalmologists and was given three different prescriptions none of which works; actually, I still see better with my old glasses or with the naked eye, but it is nearly impossible to work when I must bring books or notes to a distance of four inches from my nose. I also visited the low vision institute in Waterbury, Conn., and even the Lighthouse in New York, but they simply gave me ready-made glasses that aren't any better than the ones prescribed by the doctors.

When I was at Columbia University we had there an institute of optometry and even the P&S doctors sent their troublesome patients to those able paople; I believe that a good optometrist would help me, therefore I will be very grateful if you can direct me to one anywhere between Hartford, Conn., and White Plains, NY. There is one here by the name of Dr. Krall, but he does not inspire confidence.

Sincerely,

TRURO, MA, JUNE 18, 1984.

DEAR DR. GENENSKY: Thank you so much for your list of low-vision specialists in our area. My mother was seen by Dr. Gregory T. Bodrie on June 7. He works with prismatic lenses to correct defects of macular degeneration. You might want to check his work out and add him to your list. She is to get her first set of glasses on July 11. They should enable her to live more comfortably in her home once she gets used to them. There is a good possibility she'll be able to read in 6 months with these aids. It would really be a blessing.

At a Massachusetts Eye and Ear, she was given no hope of bettersight. I'll let you know how she progresses. She found Dr. Bodrie to be congenial, concerned, and reasonable in fees. His address is: 66 Pleasant Street, Sagamore, MA 02561.

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APRIL 15, 1983.

DEAR MR. GENESKY: Am returning the card you sent about the newsletter et cetera. Will be happy to get it as my left eye—the best one—has began to blur at times and I often have to look at some things with my right eye to get a focus on it. The right one has always been the weakest so it does not get focused with the left as it has a tendency to look off at an angle, to the right, when I am looking at anything.

I know very well I need a thorough examination and have been told that it should be done by an ophtalmologist. However, our city telephone directory does not list anyone in that category and it includes all nearby cities and towns in, I believe, Lee County.

It would be impossible for me to make a trip to either Maitland or Tampa—for several good reasons. Could you not find someone in this county who is qualified to give me the low-vision exam?

I am on Social Security, as my only income since 1974. Will be 81 on June 1, 1984. Have had two accidents, driving, in the last few months and expect, daily, to be called on to give up my driver's license. My car is 10 years old and is pretty well battered up from cars and things I've run into during the last year or so. It also needs considerable mechanical work before I could trust it to run over 20 miles in a day. I frequently have to call on our local agency of the AAA to send someone out to help me get going again. Am expecting to hear from them any day about my frequency of calls for help. Last, I just could not afford to make a trip out of town. My doctor and medicine bills take up too much of my inadquate Social Security pension. Too, I am, so to speak, under the weather a good part of the time and just too weak—and sick—to travel even if I had someone to take me, which I don't, being alone in the world now.

I know I'm slowly going blind but, as of now, I know of nothing I can do about it. As they say "I'm between the rock and a hard place". That saying used to be "hell or highwater"!

Thanks very much for your personal letter and the card which will bring me the newsletter. Maybe a miracle will happen and I'll, eventually, be able to do something about it. But I'm not counting on it!

Sincerely,

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DALLAS, TX, APRIL 2, 1984.

DEAR SIR: We are most interested in your column "Readers Write" of MM—April 1984. My wife has the trouble of retinal damage and has been examined by about six eye specialists here as well and retinal damage is what they claim is her trouble. She has seen four retinal specialists here, all saying there is nothing to be done. One surgeon last year advised her to allow him to remove a cataract on her right eye, which was no help to her as her trouble was retinal, and she told him she had been so advised by a famous retinal specalist to never allow anyone to operate for cataract removal, 10 years before. He said he though he could help her with an implant, however. This procedure was a mistake as she is now legally blind as a result. The operation and implant seemed to affect the retina!

**We are at a loss to know what to do, could you advise us? Who would you recommend that we see in this city and what procedure should be consider?**

## STATEMENT OF MARTIN A. ADLER, MSW, ACSW, DIRECTOR, HELEN KELLER NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

Senator WEICKER. Next we have Martin Adler, the director of the Helen Keller National Center for the Deaf-Blind Youths and Adults.

Mr. ADLER. Good morning, Mr. Chairman.

Senator WEICKER. Good morning.

Mr. ADLER. Thank you for inviting a representative from the Helen Keller National Center [HKNC] to come here to give some viewpoints as to what we feel are the needs for the deaf-blind. We also appreciate your past and your current support for service to the deaf-blind.

I first want to briefly discuss the services of HKNC and the success of services that have been provided through funding by the Federal Government.

The HKNC has five major service components. One is our headquarters in Sands Point, NY, where we provide a comprehensive and rehabilitation program. Then we have a field service, and a national service delivery system for deaf-blind individuals all over the country. This includes our 10 regional offices that provide consultation and training, and search and find for deaf-blind people, training and consultation to agencies. We have our national training team that right now is booked through 1986 that provides training for agencies that work with the deaf-blind.

We have some 26 affiliated agencies that we have supported through the use of Federal funds to initiate programs for the deaf-blind.

We also have now a national technical assistance center, recently funded, that provides consultation to all of the agencies that are working with children that are aging out of the educational system and are moving into the rehabilitation system, primarily children of the rubella epidemic, ages 16 to 22.

The success of the services of the program have really been focused, because we have concentrated on the abilities of deaf-blind. This has really taken hold across the country. More and more employers are calling our center and calling our affiliated agencies asking for information regarding their opportunity to employ deaf-blind. More and more agencies are calling HKNC and inquiring about services that we can help them with to start to initiate programs for the deaf-blind. Even the Federal Government or the Department of Education has RFP'ed far more programs than ever before focusing on deaf-blind children, youths, and we hope some day for the geriatric population of deaf-blind.

The success has, in a sense, backfired because as funding has remained somewhat on a level, 5 percent increasing, more and more people are asking for services, more and more agencies are asking for services. State administrators are even migrating, in a sense, to HKNC asking for help, asking for training, asking for information regarding how can they work with their staff.

What we are asking for now, sir, is at least to continue the authorization of $4.3 million for fiscal year 1986. We feel that the success has been substantiated. We feel that the statistics are there. We feel that the deaf-blind are in need of it.

Thank you, sir.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much. Your statement in its entirety will be placed in the record.

[The statement follows:]

## STATEMENT OF MARTIN A. ADLER

Thank you for inviting me to testify before the Subcommittee. My name is Martin A. Adler and I am the Director of the Helen Keller National Center for Deaf-Blind Youths and Adults (HKNC) located on Long Island in New York.

HKNC is operated by the Board of Trustees of what was formerly The Industrial Home for the Blind (IHB) and is now the Helen Keller Services for the Blind under an agreement signed in 1969 with the United States Department of Health, Education and Welfare. The authorization for our operation is now contained within Title II of the Rehabilitation Amendments of 1984. We operate under the general supervision of the Rehabilitation Services Administration. The Center is located on a 25-acre wooded site in Sands Point, New York. The training, research and administration building, as well as the residence building, are specially designed and equipped to meet the accessibility and safety needs of clients served.

The following objectives were mandated when Congress established the Center in 1969:

To provide initial assessment of physical and psychosocial functioning to determine feasibility for admission to HKNC for comprehensive rehabilitation services or for referral to other agencies qualified to provide them with services appropriate to their individual needs and interests;

To provide multidisciplinary evaluation to those deaf-blind individuals for whom rehabilitation seems feasible to determine their rehabilitation needs, interests and potentialities;

To provide individualized rehabilitation training, based on the findings of the evaluation, to achieve, as required in each case, (a) meaningful contact with the environment and effective means of communication, (b) constructive participation in the home and the community, (c) initial or enhanced employability, and (d) any other development important to the optimum rehabilitation of the deaf-blind individual;

To provide training for new and prospective specialists in services for deaf-blind persons;

To provide community education designed to sensitize both the lay and professional communities to the special needs and normal aspirations of deaf-blind persons and to develop in the community an acceptance of and confidence in persons who are deaf-blind;

To identify and locate youths and adults who are deaf-blind in order to develop a national register of these individuals which will provide information as to the composition and distribution of the deaf-blind population that will be helpful in the planning of services appropriate to the needs and interests of this population;

To encourage the initiation of and to cooperate in medical research into the causes of deaf-blindness and methods of reducing or eliminating these causes;

To conduct research into the implications of deaf-blindness for the personal adjustment, education and rehabilitation of the deaf-blind individual;

To innovate and/or improve approaches and techniques of rehabilitation that will best contribute to the promotion of the personal adjustment, education, rehabilitation and social and economic effectiveness of the deaf-blind individual;

To conduct studies, including follow-up studies of clients, to evaluate the effectiveness and appropriateness of services offered by HKNC;

To design and/or improve sensory aids that will reduce the handicapping effects of deaf-blindness;

To encourage and assist public and private agencies to develop services for deaf-blind persons in their local communities.

In order to achieve the Congressionally mandated objectives, we have developed five separate elements of service within HKNC:

I. REHABILITATION SERVICES -- All individuals accepted for evaluation and rehabilitation at HKNC are deaf-blind and frequently multi-handicapped. The overall purpose is to provide those individuals who generally have been isolated and ignored for many years with training in communication, education, daily living skills, mobility, industrial arts, prevocational activities, home and personal management, personal hygiene, speech therapy, audiological services, and complete counseling opportunities. Because our individuals are deaf-blind, without sight and sound and frequently without speech, we have no other alternative but to provide services almost on a one-to-one basis. The intensity of the intellectual and emotional effort required from staff to work with our deaf blind clients is demanding. Depending upon clients' abilities, our goals range from teaching deaf-blind individuals simple methods of caring for themselves out of institutions, or returning to live with their families. Other clients may become so skilled that they may be able to be accepted into competitive employment. Many of our current clients and an increasing number are victims of maternal rubella. Their skills are frequently on a rather low level and require one-on-one instructional care. Our goals with many of these rubella clients within the rehabilitation process are to teach them skills of daily living, enabling them to reside hopefully in group homes rather than return to the institutions many have come from.

II. RESIDENCE SERVICES -- To provide the housing and other support services necessary for the deaf-blind clients to reside at HKNC while receiving the rehabilitation programs. Training of deaf-blind rubella clients frequently occurs within the residence program, teaching them their grooming and daily living skills. In addition, the residence provides living quarters for workers who are receiving training in deaf-blind services, residence staff, and occasionally, parents of deaf-blind individuals who stay at the residence for a period of two or three days, observing the rehabilitative process.

III. RESEARCH -- We are refocusing our efforts in research away from aids and devices now that a number of successful devices for the deaf-blind, some of which were developed at HKNC, are being marketed by private industry. Our research will be in the areas of psychosocial adjustments, communication methodologies, and vocational development. We already have a signed agreement with the Research and Training Center at the University of Mississippi for them to conduct research for HKNC.

IV. COMMUNITY EDUCATION -- The basic focus of our Community Education Department is to publicize rehabilitation and employment opportunities for deaf-blind individuals.

V. NATIONAL FIELD SERVICES -- The field services contain the major portion of the National Service Delivery System; the ten regional representatives, whose offices coincide with the ten federal regions; the HKNC National Training Team; and the Affiliated Agency Network System.

The regional representatives assist federal, state, and local agencies in developing and coordinating local services for deaf-blind persons in their communities. They also provide direct services to the deaf-blind and their families (949 individuals from 7/83 to 6/84). This included diagnostic services, technical assistance, counseling, vocational assistance, and advocacy services.

The HKNC National Training Team (NTT) provides training to personnel in private and state agencies, as well as to parents of deaf-blind youths and adults. The demand for its skills and presence in agencies across the country is outstanding. The activities of the NTT have led to the establishment for the first time of a master's degree program in deaf-blindness that is now co-sponsored by Western Maryland College and HKNC.

The Affiliated Agency Network System consists of 25 agencies within 23 states that have received start-up funding for up to 5 year periods to initiate deaf-blind programs. These agencies during the last reporting period worked with 992 deaf-blind persons, an increase of 19% from 1983. They received training and other support systems as well as being part of a coordinated system that enables these agencies to share problems, solutions, and expertise.

This Affiliation Network concept, in addition to the NTT, the regional representatives across the country, and rehabilitation training at headquarters, establishes a National Service Delivery System for the deaf-blind.

The above four systems do provide the country with a National Service Delivery System for deaf-blind individuals. They provide an integrated system of direct services, research, instruction and training, as well as the development of new or expanded local resources for deaf-blind persons. This national integrated system does meet many of the needs of most deaf-blind individuals and the agencies that service them. Because of the severity of deaf-blindness, it becomes necessary for a service delivery system to utilize numerous resources in order to meet the very basic needs of our deaf-blind citizens. In addition to the above, we have recently received a grant from the Department of Education to develop a Technical Assistance Center (TAC) which basically enhances the system for delivery of comprehensive and coordinated services to facilitate the transition of deaf-blind youth, upon attaining age 16 to 22 from education to employment and post education services.

Our goal is to optimally utilize an existing national services delivery system of public and privately funded programs, to promote practices which prepare deaf-blind youth for transition to age appropriate community based activities. This will be accomplished by providing:

Technical assistance to state education agencies, and other education, vocational, and service agencies providing, or proposing to provide, transitional services for deaf-blind youth;

Training for parents, paraprofessionals, and professionals serving, or preparing to serve, deaf-blind youth attaining age 22;

Assistance in the identification, development, or replication of innovative rehabilitative, semi-supervised, and independent living centers to include deaf-blind youth;

Consultation in the development of statewide interagency planning and cooperation among state education and other agencies, parents, and consumers to provide comprehensive, coordinated transition services for deaf-blind youth.

The systems we have described above are operational and do meet many of the beginning needs of the deaf-blind population, their families, and the agencies that serve them. However, we must emphasize that we are only scratching the surface in developing resources and response systems that are necessary, not only to meet the needs of this population, but to even go further and enable them to live more fulfilling lives within the American community. We are well aware of the need for all of us to react to the federal deficit by developing methods to do more with less funding. HKNC pledges to do its part in that national effort. We, however, do have a difficult time expressing that to our deaf-blind colleagues, deaf-blind clients, and the families of the deaf-blind. Their answer is almost unanimous - "We have been deprived of adequate resources most of our lives. How long can this continue?"

Senator WEICKER. Senator Specter, do you have any questions?

Senator SPECTER. Thank you very much, Mr. Chairman, I do not at this time. I would ask leave of the Chair to submit some questions for the record when certain witnesses come up. I note that we will have later today Mr. James McKee, chairman of the board of the Pennsylvania Gas Works, and Mr. David Bradley, director of the National Community Action Foundation of Pennsylvania.

I commend the Chair for having these hearings, and the very, very impressive list of witnesses being given an opportunity for this public hearing. As usual they are competing here with a hearing on terrorism, so I would like to leave these questions with the Chair.

Senator WEICKER. Mr. Adler, thank you very much for your testimony. I greatly admire the work that you do at the Helen Keller National Center.

Mr. ADLER. Thank you, Senator.

### STATEMENT OF BETTY HEDGEMAN, PH.D., PRESIDENT, NATIONAL REHABILITATION ASSOCIATION

Senator WEICKER. Next we have Betty Hedgeman, president of the National Rehabilitation Association.

Ms. HEDGEMAN. Good morning, Mr. Chairman.

I am the president of the National Rehabilitation Association, an organization which represents about 18,000 persons interested in persons who are disabled and disability issues. One of our concerns, of course, is appropriate funding, and you are aware of that, I am sure, from the previous witnesses and what we have told you in the past, and probably from a copy of the written testimony that I have already submitted.

I will not repeat the figures because I am sure you know them well. We need all that has been authorized. We look forward to your continued support. I will be repetitious in thanking you as did my predecessors and the people who will follow me for the support of the program because it is an essential one.

What I am looking forward to, sir, is the time when we can be of more help to you. How can we access policymakers and the general public to show them the utility of having 35 million people access all of our society. How we do this, I am not sure. We are interested in the public effort, but we certainly need this funding in order to continue our program. We are dedicated to try to do that, and we will do all that we can to assure that this happens.

Some of the programs that are especially valuable to us, as has been mentioned to you by Ms. Deauville concerning the State/Federal program, the Independent Living Program, the projects with industry, and I could go on and on. We need them all, and we need your support.

Thank you for what you have done, and I am here to answer any questions you might have.

## PREPARED STATEMENT

Senator WEICKER. You are a very, very gracious person, and I appreciate your appearing before the committee, your statement in its entirety will be included in the record. I thank you.

[The statement follows:]

## STATEMENT OF BETTY HEDGEMAN

Mr. Chairman, members of the subcommittee, my name is Betty S. Hedgeman, and I am currently President of the National Rehabilitation Association, an organization whose purpose is to promote and support rehabilitation for persons with disabilities. I am privileged to be here to present our position with regard to the funding needs for programs authorized under The Rehabilitation Act of 1973, as amended.

I extend the sincere appreciation of the approximately 18,000 member of the National Rehabilitation Association and its seven divisions - the Job Placement Division, the National Association of Rehabilitation Instructors, the National Association of Rehabilitation Secretaries, the National Rehabilitation Administration Association, the National Association for Independent Living, the National Rehabilitation Counseling Association, and the Vocational Evaluation and Work Adjustment Association -- to you for your consistent and enlightened willingness to invest public funds in the nation's rehabilitation programs. Your past investments in these programs have returned significant dividends to our nations's taxpayers and more importantly, to the persons with disabilities who received rehabilitation services. No other program funded by the Federal government consistently returns so many benefits, both financial and personal, to all segments of our society. You have every reason to be proud of your widely-recognized leadership in assuring a proper level of investment in this program.

The National Rehabilitation Association's recommended levels for programs authorized in the Rehabilitation Act, as amended, are as follows:

### BASIC STATE VOCATIONAL REHABILITAION SERVICES PROGRAM - SECTION 100 (B) (1)

We are recommending that the full authorization of 1,203.2 million dollars for the Basic State Vocational Rehabilitation Program, be appropriated. This is the foundation of the programs authorized in the Rehabilitation Act, as amended. This proven, finely tuned direct service program has stood the test of time and has been well managed. According to the Rehabilitation Services Administration's latest report to Congress, the benefits/-cost ratio exceeds $10 to 1.

Of greater importance are the benefits of this program to persons with disabilities. Behind the cost/benefit studies are individuals who have been provided opportunities to earn money and gain the self esteem that comes from a paycheck. To be working is to be part of mainstream America. This program helps persons with disabilities work and enter that mainstream.

This recommendation is based on the critical need to prevent a further decline in the number of persons served. Because of funding cuts and inflation, this effective program reaches only one in 20 eligible persons. We believe it is essential to stop the downward trend in the number of persons with disabilities provided rehabilitation services. Funding this program at the level recommended by the National Rehabilitation Association would help increase the level of services provided while, at the same time, increasing tax revenues.

## COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING - TITLE VII

NRA recommends an investment level of 53 million dollars for the Independent Living Rehabilitation Services Program, Parts A, B, & C. This important component of the Rehabilitation Act was added in 1978.

Part A was funded in the amount of 4 million dollars this past year. States have not yet received their awards and it hardly allows them to implement the purpose of this program, specifically to provide services to individuals whose disabilities are so severe they do not presently have the potential for employment. However, this service may enable them to live and function more independently. The National Rehabilitation Association is recommending appropriations in the amount of 30 million dollars for this valued program. We believe the funding will allow persons with severe disabilities the opportunity to live and function independently and when possible, enter the Vocational Rehabilitation program. The services provided through Title VII of the Act not only enable persons with severe disabilities to live and function independently, but also reduce public costs associated with disability.

Part B funds 160 centers throughout the country. The National Rehabilitation Association urges 23 million dollars be appropriated to fund the program which establishes and operates center programs essential to over 30,000 persons with severe disabilities. Full funding is needed for personnel training, additional staff and program priorities.

In addition, Part C appropriations in the amount of 2 million dollars are requested to initiate independent living services for older individuals who are blind. The number of people over the age of 18 increases each year. One-half the people who become blind each year are from this age group. Part C services would provide the skills needed to enable them to live in their own home and avoid living in nursing homes which are so costly.

The potential for cost savings are enormous, and the benefits to the persons with severe disabilities have been solidly demonstrated.

## REHABILITATION RESEARCH

The National Rehabilitation Association recommends appropriations of 44 million dollars in rehabilitation research as administered by the National Institute for Handicapped Research. We are entering a new era in our nation, one that is exemplified by remarkable technological advances. These scientific and technical achievements can, and should, be brought to bear in the problems faced by our nation's persons with disabilities. Funding for rehabilitation research will pay direct dividends in future years as we discover more effective ways of meeting the needs of persons with disabilities and incorporate technological and scientific advances in our direct rehabilitation services programs. Full authorization will allow contruction for the 50 research centers and expanding of multiple areas of interest and necessity for persons with disabilities.

## REHABILITATION TRAINING

NRA recommends full funding of 31 million dollars for rehabilitation training programs in 1986. The quality and success of any direct service program is directly related to quality training for service providers charged with turning rehabilitation goals into realities.

We cannot allow documented shortages in many rehabilitation professions to continue without lowering the overall effectiveness and success of the nation's rehabilitation programs. In order to provide the highest quality of rehabilitation services for persons with disabilities to begin to repair the damage inflicted by funding cutbacks during 1977 - 1984, and to ensure that vocational and the rehabilitation services are carried out in a cost--effective manner, it is imperative that Congress provide full support for the program.

## SERVICE PROJECT

### Client Assistance Program

This newly restructured program is in its first full year of operation. It is needed to advocate for the rights of VR clients and to work cooperatively with the State vocational rehabilitation agency. The National Rehabilitation Association recommends an appropriation of $6.7 million, the authorized amount, for FY 1986.

### Projects With Industry

The successful placement of persons with disabilities as wage earners and taxpayers in the private sector is an essential part of rehabilitation. The National Rehabilitation Association recommends appropriation in the amount of 15.2 million dollars to fund this program.

Other service projects that should receive full appropriation are:

Special Demonstration Project at $14.6 million
Special Recreation Program at $2.2 million
Indian Tribes Program at $750,000
Helen Keller National Center at $4.5 million
Architectural and Transportation Barriers Compliance Board at $2.3 million

## EVALUATION

Section 14 of the Rehabilitation Act calls for the Secretary of the Department of Education to ascertain the impact of all programs authorized by the Act. Congress is to be commended for establishing clear and needed priorities in the area of Evaluation, and the National Rehabilitation Association recommends an appropriation of 2.5 million in order to achieve full compliance with Evaluation requirements of the Rehabilitation Act.

## NATIONAL REHABILITATION ASSOCIATION STATEMENT

The Rehabilitation Act of 1973, as amended, is one of the most complete well-written, and well-balanced pieces of legislation. In one Act, provisions are included for a comprehensive and individually-tailored program of rehabilitation services to eligible physically and mentally disabled persons; a training program to fully prepare rehabilitation personnel; a research program to develop new techniques in providing services; a special projects program to target services to specific populations; a comprehensive services program for independent living for persons too severely disabled to benefit from traditional vocational rehabilitation services; and other specially designed programs. The Rehabilitation Act and the programs it authorizes signifies our society's recognition of its responsibility to provide people with disabilities the opportunity to be full participants in the mainstream of life.

The National Rehabilitation Association commends the U.S. Congress for its long history of progressive legislation and funding of rehabilitation programs. That Congress has responded positively to the rights and needs of persons with disabilities is at least in part because of its recognition that rehabilitation programs are a part of a stronger United States. We thank you and your colleagues in advance for appropriating funds for rehabilitation programs at the levels we have recommended in this testimony.

## STATEMENT OF PAUL KURTZ, PH.D., PRESIDENT, NATIONAL ASSOCIATION OF PRIVATE RESIDENTIAL FACILITIES FOR THE MENTALLY RETARDED

Senator WEICKER. Next we have Dr. Paul Kurtz, president of the National Association of Private Residential Facilities for the Mentally Retarded.

Mr. KURTZ. Good morning, Mr. Chairman.

My name is Dr. Paul Kurtz, and I am the executive director of the Hattie Larlham Foundation, which is located near Cleveland, OH. It is an intermediate care facility for the mentally retarded [ICF/MR]. We also have foster homes under a model 50 waiver for children who are severely and profoundly retarded, many have multiple disabilities.

I currently serve as the president of the National Association of Private Residential Facilities for the Mentally Retarded, which represents almost 500 agencies and family care homes nationwide.

In the interest of time, I would like to submit our entire statement for the record and I will briefly highlight our major concerns. I would like to begin, Mr. Chairman, by telling you how much our association appreciates your efforts in protecting programs that serve people who are disabled.

Many of the Federal programs under the jurisdiction of the subcommittee support the delivery of residential services to people who are developmentally disabled. Today, we would like to focus on title XIX.

A major policy decision was made by the Congress in the early 1970's to correct the sickening situation found in many institutions serving people with mental retardation. This was the establishment of certification for intermediate care facilities for the mentally retarded. For the first time, these persons and their families could hope for a brighter future.

More recently, the section 2176 waiver for home and community-based services provided incentives to serve people in noninstitutional settings. Bleak spots continue, but this national policy has demonstrated its effectiveness in many ICF/MR's and waiver programs around the country.

Now people who are developmentally disabled and their families fear that the rug is about to be pulled out from under them. They hear that the Medicaid Program is about to be capped. According to the University of Minnesota, about 140,700 people were receiving service in ICF/MR's, about one-fourth of these were in privately operated facilities. The percentage has grown since that time, and an additional 104,000 receive support for residential services from other Federal, State or private sources, and over 80 percent of those individuals are served by the private sector.

This job is not yet complete, however. For example, Cuyahoga County, the largest county in Ohio, which incorporates Cleveland, has 1,000 residents who will require residential services in the next 5 years. These are persons who families, thanks to Public Law 94-142 and other programs, have been able to care for their sons and daughters at home, but they will not be able to do so indefinitely. What kind of public policy is that which rewards this care by allowing no long-term alternatives. Suppose those parents had sought institutionalization long ago.

In response to national policy and dollars, members of NAPRFMR have brought to bear the ingenuity of private initiative, both for-profit and not-for-profit, to integrate persons with mental retardation as much as possible into the community, and to foster independence. The title XIX program has been the major resource for successful programs which improve the independence of people with developmental disabilities.

NAPRFMR supports cost-effective measures, encourages the development of uniform funding mechanisms for public and private facilities. Association members oppose a Federal cap on Medicaid funding, and we believe that the Federal Government needs to understand the potential effect of such a cap.

Expenses are not limited by caps, and I think you can see that the result would be a direct reduction of direct care services.

Title XIX is the keystone of Federal responsibility for people who are developmentally disabled. It is essential to the provision of services and must work on behalf of beneficiaries to improve their skills, and decrease their dependency on others.

Thank you, Mr. Chairman.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much and your statement in its entirety will be included in the record.

[The statement follows:]

## STATEMENT OF PAUL KURTZ

### NAPRFMR WITNESS

Appearing in behalf of the National Association of Private Residential Facilities for the Mentally Retarded is Paul S. Kurtz, Ph.D., the President of NAPRFMR and Executive Director of the Hattie Larlham Foundation in Mantua, Ohio. Dr. Kurtz has also served as President of the Ohio Private Residential Association, and Director of Residential Services for an agency in Indiana. He has been involved in research in early childhood intervention and in the prevention of institutionalization. The Hattie Larlham Foundation has been described in citations from the State of Ohio as "one of Ohio's premier facilities for mentally retarded and developmentally disabled children." It serves 130 children who are severely and profoundly retarded (many of whom have multiple disabilities) in an ICF/MR and several foster family living arrangements funded through the Medicaid Model 50 Waiver program. The Foundation is accredited by AC MRDD.

### DESCRIPTION OF THE ASSOCIATION

NAPRFMR represents almost 500 agencies and family care homes serving a total of about 20,000 people who are developmentally disabled. Members range in size from family homes serving one or two persons to large multi-service agencies which serve more than one-hundred people at a single site. About 41% of NAPRFMR's members serve 16 or fewer persons, another 33% serve 17 to 50 people, 15% serve between 50 and 100 persons, and about 14% serve more than 100 individuals. Most members serve people in scattered, community living arrangements. Some have dozens of group homes and apartments, some are villages, others are private residential schools, and some are medically-related faciities. About 60% of NAPRFMR's members are nonprofit agencies, approximately 30% are proprietary corporations, and 10% are unincorporated family care providers. Together they offer a full range of residential services in a variety of settings, utilizing many different funding sources.

## INTRODUCTION

Many of the federal programs under the jurisdiction of this Subcommittee support the delivery of residential services to people who are developmentally disabled and are of interest to NAPRFMR members. For purposes of this testimony, we will focus on four which are of particular concern. Three are programs authorized under the Social Security Act: Title XIX Medicaid, Title XVI Supplemental Security Income (SSI), and the Title XX Social Services Block Grant. The fourth is the program of Comprehensive Services for Independent Living authorized by the Rehabilitation Act. Our emphasis today will be on the Medicaid program.

## MEDICAID

Most of the individuals served by NAPRFMR members are eligible for Medicaid assistance. A major policy decision was made by Congress in the early 1970s to correct the abuse and neglect found in many state institutions serving people who are mentally retarded by expanding the Medicaid program through the certification of intermediate care facilities for the mentally retarded. For the first time, these persons and their families could hope for a brighter future. Program inadequacies and some abuse continue, but this national policy has demonstrated its effectiveness in many ICFs/MR around the country, many operated by NAPRFMR members.

According to the Center for Residential and Community Services at the University of Minnesota, 140,684 people were receiving services in ICFs/MR in June of 1982. The private sector was serving almost one fourth of those in ICF/MR care. An additional 102,985 clients received support for residential services from other federal, state and private sources. More than 80% of these were served by the private sector. The job is not yet complete. For example, Cuyahoga County (the largest county in Ohio, which includes Cleveland) has 1,000 residents who will require residential services in the next five years. These are persons whose families, thanks to the passage of 94-142 and other federal programs, have been able to care for their sons and daughters at home but will not be able to do so indefinitely due to their advancing age. What kind of public policy rewards this care by allowing no long-term alternatives? What would have happened in terms of human development and federal expenditure if these parents had sought institutionalization years ago?

In addition to the ICF/MR program, Medicaid has more recently supported people in their own homes and in community living arrangements through Congressional passage of the Section 2176 Waiver for Home and Community-Based Services. Many individuals with developmental disabilities who live in residential programs supported by other types of funding receive Medicaid benefits for physician and hospital care.

In response to national policy and federal dollars, members of NAPRFMR have demonstrated the ingenuity of private initiative (both for-profit and not-for-profit) by integrating persons with mental retardation as much as possible into the community, and by fostering their independence. The Title XIX program has been the major resource for successful programs which enhance human development.

NAPRFMR supports cost-effective measures and encourages the development of uniform funding mechanisms for public and private facilities alike. We oppose a federal cap on Medicaid funding, however, and believe that the federal government needs to understand the potential effect of such a cap. Expenses are not automatically limited by caps. Something has to be given up. A cap would likely result in flat-rate reimbursement, with a reduction in direct care services following soon after. Despite federal legislative language which requires states to reimburse providers so that they can meet applicable State and Federal laws, regulations, and quality and safety standards, it is, in fact, already difficult for many providers to do so with the amount of funds made available to them. A cap would make this situation even worse, and the problems being identified in the Health Care Financing Administration look-behind surveys would increase.

An added problem experienced by the private sector is the discrimination that exists in many State Medicaid reimbursement systems. NAPRFMR believes that the SPECTRUM audits currently being conducted by HCFA will reveal evidence of the discriminatory treatment which makes it difficult for some providers to offer services mandated in ICF/MR rules or to pay staff in a manner which will reduce burnout and the costly effects of frequent staff turnover.

NAPRFMR opposes capping the Medicaid program. Title XIX is the keystone of federal responsibility for citizens who are mentally retarded. Without the availability of adequate funds, those who are in need may be denied the opportunity to avoid neglect and achieve greater independence.

## SUPPLEMENTAL SECURITY INCOME

The Title XVI Supplemental Security Income (SSI) program makes cash payments to low-income aged, blind and disabled persons. It has been estimated that in 1986, more than 3 million people with mental disabilities will receive SSI benefits. In many states, federal SSI dollars are supplemented by state government to provide the major source of funding for people who require a supported living arrangement. This program is therefore of major concern to NAPRFMR and its members.

The maximum amount of federal assistance an individual can receive under the SSI program is $389 per month. This barely provides people who are disabled with adequate food, clothing and shelter; but with supplemental funding for services can provide the additional assistance needed to prevent institutionalization. Those who live in facilities funded through the ICF/MR program receive $25 per month in federal SSI assistance for personal needs. In many states, this money must be used for such daily essentials as clothing, toothpaste, soap, etc. Sometimes, it must also pay for items such as eye glasses and dental care.

The Administration's Budget includes a cost-of-living increase and projects the addition of about 35,000 SSI recipients in 1986. It also allows a $1 million increase for services which fund vocational rehabilitation referral and monitoring for recipients with alcohol or drug dependency.

NAPRFMR believes that the Administration's proposal for SSI appropriations in FY 1986 represents the bare minimum required by people who depend on SSI for their daily needs.

## SOCIAL SERVICES BLOCK GRANT

The Title XX Social Services program has been a major source of funding for services provided in community living arrangements for SSI recipients in many states. Services provided under the program must be targeted at one of five basic goals which are primarily associated with self-support, self-sufficiency and non-institutionalization. The Social Services program was converted to a block grant in 1981 with a 25% reduction in federal appropriations. For FY 1986, the Administration has requested full authorization of the program at $2.7 billion. However, it proposes to eliminate the Community Services Block Grant, the Work Incentive program and other programs totalling $650 million, with the explanation that other programs -- particularly Title XX Social Services -- can fund these services. This would mean that $2.7 billion would have to be stretched to finance more than $3.3 billion in currently funded services.

NAPRFMR joins other members of the Consortium for Citizens with Developmental Disabilities in recommending that the Community Services Block Grant and WIN programs be maintained as separate and viable programs, and the Social Services Block Grant be funded at $3.42 billion in FY 1986 to bring it back toward its earlier level of funding.

## COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING

Title VII of the Rehabilitation Act authorizes four distinct programs designed to enhance the self-dependence of persons who are too severely disabled to currently benefit from VR services as provided under the Rehabilitation State Grant Program. Part A of Title VII establishes a nationwide, comprehensive independent living services program to provide services to individuals who, though severely disabled, may be able to live and function relatively independently in the community.

Appropriations to implement this program were first provided for FY 1985. The Administration has requested that the appropriated funds be "reprogrammed" to the Part B Centers for Independent Living and that no funds be appropriated for Part A in FY 1986.

NAPRFMR has opposed the reprogramming of funds appropriated for FY 1985, and respectfully requests that $30 million be appropriated for FY 1986. This would build upon the $5 million appropriated as "seed monies" in FY 1985 to expand the provision of more cost-effective services which will enable larger numbers of severely disabled individuals to become or remain more self-dependent.

## CONCLUSION

NAPRFMR supports the appropriation recommendations presented to this Subcommittee in the Analysis of the President's FY 1986 Budget Proposals and Recommended Appropriation Levels Relating to Programs for People with Developmental Disabilities and urges careful consideration of that document.

## STATEMENT OF DENNIS GJERDINGEN, PRESIDENT ELECT, ALEXANDER GRAHAM BELL ASSOCIATION FOR THE DEAF

Senator WEICKER. Next we have Dennis Gjerdingen, president-elect of the Alexander Graham Bell Association for the Deaf.

Mr. GJERDINGEN. Good morning, Mr. Chairman. My name is Dennis Gjerdingen, and I am president of the Clark School for the Deaf in Northampton, MA, the parent of a deaf son, and the president-elect of the Alexander Graham Bell Association for the Deaf that I want to talk about briefly this morning.

The Alexander Graham Bell Association was founded in 1880 by Alexander Graham Bell with a prize that he was awarded for the invention of the telephone. His fervent belief was that all deaf children should have an opportunity to learn to speak.

Senator WEICKER. What was the amount of the prize he received for the invention of the telephone?

Mr. GJERDINGEN. About $50,000, but in those days that was a lot of money.

Senator WEICKER. Yes; it was a lot of money.

Mr. GJERDINGEN. The association's program has continued to emphasize the teaching of good speech and good language skills with the optimal use of residual hearing among deaf people.

More than 16 million Americans today are affected from one degree or another of hearing loss. That is increasing dramatically in our society with the noisy environment in which we live, and we are seeing a lot of young people with acquired hearing losses by wearing headphones too close to the ear canals.

Despite the widespread incidence of hearing impairment, a major problem is that there is still public ignorance about those impairments, and all of us sitting in this room today are still very familiar with terms like "deaf and dumb." There is also a common assumption that most deaf people are totally dependent upon sign language for communication. You certainly saw evidence here this morning of people who are able to greatly overcome that.

Hearing impaired persons themselves are affected by these popular misconceptions. They tend to withdraw from society. We want to try to bring them back in. This isolation need not exist. We are very fortunate with some of the new technology that is available for people today.

You heard this morning about captioned television which has been a dramatic great thing for deaf people as has the use of telecommunication devices, and a number of other modern technological things.

A variety of agencies and programs with which you are familiar, like the Office of Education, Vocational Rehabilitation, Medicare, the National Institutes of Health, and others, have provided vital assistance to the hearing impaired.

We recognize what a very difficult budget year this is, and we are asking not for anything new, but for continued support to the hearing impaired population that is so much misunderstood.

Thank you very much for your kind time and for allowing us to be here and tell you about the Alexander Graham Bell Association.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much. Your complete statement will be put in the record in its entirety. Thank you for being here.

[The statement follows:]

## STATEMENT OF DENNIS GJERDINGEN

Mr. Chairman and members of the subcommittee, my name is Dennis Gjerdingen. I am the President-Elect of the Alexander Graham Bell Association for the Deaf and the parent of a deaf son. I am also the President of the Clarke School for the Deaf in Northampton, Massachusetts and a member of the Board of Trustees. I am here today to testify on behalf of the Association.

The Alexander Graham Bell Association was founded in 1890 by Alexander Graham Bell with funds he received as a prize for his invention of the telephone. It is a nonprofit organization with 5700 members in this country and abroad. Its members include professionals, parents of hearing-impaired children, oral deaf adults and friends interested in hearing impairment. The Association is dedicated to furthering the dreams of its founder that, "No deaf child in America should be allowed to grow up without earnest and persistent efforts having been made to teach him to speak."

The Bell Association's programs emphasize the teaching of good speech and language skills, with the optimal use of residual hearing. They seek to promote a better public awareness and understanding of hearing loss in children and adults and to provide a support mechanism for oral deaf adults and parents of hearing-impaired children. In our experience, these skills provide hearing-impaired persons with their best chance for entering the mainstream of a hearing society and for increasing the number and quality of their employment opportunities. I am grateful to the subcommittee for the opportunity to appear today and address the needs of hearing-impaired persons from the perspective of the Bell Association.

Hearing loss is the most common communicative disorder afflicting Americans today. More than 16 million Americans--one out of every 15-- suffer from hearing loss. Almost 900,000 American children have been diagnosed as hearing-impaired, and thousands of other children suffer from hearing losses that have not been detected. Hearing loss afflicts the elderly in disproportionate numbers: nearly half of all Americans with hearing impairments are over 65, and fully one-quarter of the persons 65 or older are hearing impaired. Children with hearing and speech impairments form the largest disability category among elementary and secondary school children.

Among the general population, hearing impairments are increasing dramatically. Today an estimated 20 million Americans work, play, or live in the vicinity of environmental noise that is dangerously loud, and excessive noise exposure is a well-documented cause of permanent, irreversible hearing damage. Jet aircraft, sound amplification equipment, and noise in the workplace are among the factors that are causing contemporary college freshmen to manifest hearing losses that have traditionally characterized senior citizens. Broader public knowledge and awareness of such debilitating conditions, early detection of hearing loss and preventative care do make a difference, and resources are needed to expand and support these activities. Otherwise, tomorrow's senior citizens may well have hearing losses far greater than their grandparents. Already, the education, management, and compensation of persons with hearing impairments cost an estimated $410.5 million annually.

Despite the widespread incidence of hearing impairments in the population, public ignorance about those impairments and their disabling effects persists. Older Americans, drawing on their own valid but dated experience, tend to believe that "nothing can be done" about hearing impairments. Others associate deafness with general mental retardation. The deaf are all too often assumed to be "deaf and dumb." Finally, there is a common assumption that the deaf are totally dependent on sign language for communication.

Hearing-impaired persons themselves are affected by these popular misconceptions; the temptation to withdraw voluntarily from full participation in society is very great. The effect of this ignorance, and of the myths that feed upon it, is to isolate hearing-impaired persons from the mainstream of American life, and to limit severely their educational and employment opportunities. For deaf children, a population in which my school specializes, the isolation is particularly harsh.

Yet this isolation need not exist. While much remains to be done, enormous scientific and technical advances have been made in areas of potential benefit to hearing-impaired persons. Scientists and engineers, working together on problems that afflict hearing-impaired persons, have developed a broad range of new products and technologies: vastly improved hearing aids, cochlear implant devices, telecommunication devices, closed-captioned television, computerized autocuer eyeglasses that enable deaf persons to "see" speech, and portable amplification units for use in schools, theatres, and churches are only a few of these developments.

In addition, more human resources, in the form of information services, local support groups, and educational and vocational training programs, are potentialy available to hearing-impaired persons and their families than ever before. The need to make the broadest possible use of these human and technical resources--to reverse long-established negative attitudes, to modify unduly narrow instructional methods, to promote technological advances, and to awaken new hope in the parents of children who are born deaf--remains a massive national and international challenge.

Through a variety of agencies and programs with which the members of the subcommittee are undoubtedly familiar with--the Office of Education, vocational rehabilitiation programs, Medicare, the National Institutes of Health, and others--the federal government is providing valuable assistance to the hearing-impaired. Mr. Chairman and members of the subcommittee, I realize that this is a time of extreme budgetary pressures.

Nevertheless, on behalf of the Alexander Graham Bell Association for the Deaf, and on behalf of hearing-impaired citizens all across our country, I urge the subcommittee, in its deliberations on the FY 1986 Labor-HHS-Education appropriations bill, to continue and, where possible, to increase the support it provides for these agencies and programs. The needs of hearing-impaired citizens are very great, hidden and much misunderstood. They rely on the generosity and the compassion of the Congress for the assistance they need to enter the mainstream of this hearing society. They have not been disappointed with the response of the Congress in the past, and I am confident that they will not be disappointed in the future.

Mr. Chairman, I am submitting with my testimony a brief description of the services and programs supported by the Alexander Graham Bell Association for the Deaf. I believe you will find them very much in line with the objectives of Congress and its effort to help handicapped children in this country, and with the goals of the Department of Education in all of its programs to assist hearing-impaired citizens.

Mr. Chairman and members of the subcommittee, thank you very much for the opportunity to testify before you today. If you have any questions, I would be pleased to attempt to answer them.

### OBJECTIVES

The Alexander Graham Bell Association for the Deaf is a nonprofit, membership organization which exists to:

- Promote the teaching of speech and language through maximal use of residual hearing
- Promote better public understanding of hearing loss in children and adults
- Promote early detection of hearing loss, particularly in infants, and prompt and continued use of appropriate hearing aids
- Inform, encourage and help oral deaf adults and parents of hearing-impaired children
- Collaborate in research relating to auditory/verbal communication
- Work for better educational opportunities for hearing-impaired children
- Provide in-service training for teachers of hearing-impaired children
- Provide scholarships for hearing-impaired students attending regular universities and colleges
- Gather and disseminate information on hearing impairment, causes and remedial treatment
- Collaborate with doctors, audiologists, speech/language specialists, and educators to promote educational, vocational and social opportunities for hearing-impaired persons of all ages

## HISTORY

Founded in 1890 by Alexander Graham Bell, the organization now has members in thirty-eight countries. The Volta Bureau, initially built in 1893 to house the archival collection of volumes on deafness, serves as the headquarters of the Association. Located in Washington, D.C. it is now a national historic landmark.

## FUNDING

Approximately 5% of the income is provided by the interest from the trust funds set up by Professor Bell. The three major sources of revenue are: membership dues; contributions from corporations, foundations and individuals; the sale of the Association's publications on all aspects of deafness.

## ADMINISTRATION

The Board consists of eighteen voting members, including representatives from the three Sections that are an integral part of the Association; the International Parents' Organization (IPO), the Oral Deaf Adults Section (ODAS) and the International Organization for the Education of the Hearing Impaired (IOEHI).

## PROGRAMS AND SERVICES

The Association's programs and services touch every facet of hearing impairment. Current activities include:

Hearing Alert! - A public education program to encourage early identification of hearing loss, particularly in infants, and to promote the need for prompt remedial action. Through brochures, films, video tapes, and knowledgeable speakers, the Association informs parents, medical practitioners, and civic organizations of the warning signals that indicate deafness and advises them on the steps that should be taken.

Children's Rights - Focussing primarily on the 1 - 16 group, qualified member volunteers throughout the United States and Canada work with the director of the program to ensure that hearing-impaired children and adolescents get the support, encouragement, and educational opportunities they need. Within the United States, parents are advised on all aspects of The Education of All Handicapped Children Act (PL. 94-142) and, if necessary, provided with assistance by educational specialists in due process procedures.

Individual Counseling - Professional staff members and volunteers provide guidance when requested.

Scholarships - Specifically funded scholarships are awarded to pre-lingually deaf students with profound hearing loss who are attending, or plan to attend, regular universities and colleges and who use speech to communicate.

Financial Aid Awards - Given to pre-lingually deaf students with profound hearing loss under the age of 19 years who are enrolled in independent or parochial schools for students with normal hearing.

Information - More than 20,000 inquiries are received each year from all over the world by mail, telephone and teletypewriter on every conceivable aspect concerning deafness. Questions are answered about tinnitus, cochlear implants, teacher training programs, oral interpreting services, lipreading courses, television captioning, and signalling devices for the home to name just a few.

Publications - Textbooks published under the Alexander Graham Bell Association imprint can be found in universities and colleges wherever teacher training programs exist; in schools, and in private homes. The authors are leaders in the field of auditory/oral education of deaf children. Parents have a choice of literature written specifically for them, and adults with hearing problems can find material on hearing aids, lipreading and auditory training. Video tapes and 16mm films are also available on loan or for sale. Members regularly receive the Association's professional journal, THE VOLTA REVIEW, the topical newsletter, NEWSOUNDS, and OUR KIDS MAGAZINE.

Regional Educational Conferences and Workshops - These are held in various locations throughout the United States and Canada several times a year for parents, deaf adults and educators. Attendance at the programs provided by the Association permits professionals to earn Continuing Education Units.

Biennial International Conference - Lasting five days, this conference provides 150 presentations on topics of interest to professionals, deaf adults and adolescents as well as parents. Membership meetings are held during the conference to allow frank discussion with the Board on matters of concern to individuals.

Research Library - The Volta Bureau Library contains one of the world's largest historical collections of publications, documents and information on deafness. In addition to the main collection which includes books, periodicals and indexed clipping files since the turn of the century, the library also houses a significant archival collection dealing with the history of education of the deaf dating from the 16th century. The oldest book in this collection is entitled, "Thesaurus Artificiosae Memoriae", dated 1579, which illustrates a system of fingerspelling.
The Library also contains many early photographs, personal correspondence of Alexander Graham Bell, Helen Keller, and Annie Sullivan, as well as a collection of antique hearing aids.

## STATEMENT OF J. SCOTT MARSHALL, DIRECTOR, GOVERNMENTAL AFFAIRS, AMERICAN COUNCIL OF THE BLIND

Senator WEICKER. Next we have J. Scott Marshall, director of governmental affairs, American Council of the Blind.

Mr. MARSHALL. Good morning, Senator.

Senator WEICKER. Good morning, and how are you?

Mr. MARSHALL. It is good to be with you and Senator Specter.

Senator WEICKER. Senator Specter is not with us at this juncture.

Mr. MARSHALL. I am very sorry about that.

Senator WEICKER. He has another subcommittee hearing.

Mr. MARSHALL. Senator, since I can't see your lighting system, John has agreed to kick my shin under the table if I talk too long. The Senate Finance Committee has a bell, but I think I will forgive you for that. I am just teasing, as you know.

Senator WEICKER. But we are not, John is going to kick you under the table. [General laughter.]

Mr. MARSHALL. One of the greatest things about testifying before you and this subcommittee is that you know what these programs are all about. You know what I mean when we talk about independent living services. It occurs to me that as advocates for disabled people, what we have to do is give you the evidence as best we can to justify in economic terms these programs so that somehow we can get a message conveyed up to EOB, as well as to your colleagues in the Congress who might not be as committed to these programs as you are.

Fortunately, I am happy to tell you that this year I am in a much better position thanks to a hearing on the House side recently, to tell you why we need $2 million for subpart (c) of title VII of the Rehabilitation Act services to older blind individuals.

As you know, last year the authorization for subpart (c) and subpart (a) were uncoupled, and we now have such sums authorized for both programs. You are going to ask me, why should we fund what might be called a disability specific program under part (c).

I think that it was very evident from a hearing we had on the House side, sir, that older blind people have unique needs that are not being served presently under part (a) or (b). I am speaking of training in the use of a visual aid, learning braille, or mobility instruction.

These things might be easily learned by younger blind people, but it becomes infinitely more difficult to learn for the older blind person.

One of the witnesses on the House side was a doctor who did her residency at the Cleveland Clinic. She had been put into a nursing home by her family for other medical problems and was literally forgotten about. But she was determined enough to know that she wanted to get out of this nursing home in Texas, and she was able to do so at the cost of $1,000 which the State of Texas Commission for the Blind incurred to provide her with the independent living services that she needed to get out of that nursing home.

Other stories are also evident. In Michigan, and I have the figures in my statement as to their experience that the cost of independent living services is by far less than institutional care.

Two million dollars, of course, sir, will not adequately serve the entire Nation. The National Council of State Agencies for the Blind, they were talking about $12 million on the House side. I think you will find us to be reasonable people. I think you know and I know the magic of Federal money. Somehow when there is a Federal commitment to a program, States sort of look at it a little differently. They get the idea that it might be worth getting involved. If we can get some seed money for this program this year, we hope to be able to demonstrate its value and the need for further Federal involvement in the years to come.

PREPARED STATEMENT

Thank you very much. It is always a pleasure to be here before your subcommittee.

[The statement follows:]

## STATEMENT OF J. SCOTT MARSHALL

Mr. Chairman: The American Council of the Blind is pleased for this opportunity to testify before you today in support of funding for programs authorized by the Rehabilitation Act of 1973 as amended (hereinafter referred to as the "Act"). Our testimony will focus upon two programs of particular concern and benefit to blind and visually impaired persons for which the Congress has never specifically appropriated funds, namely: the Randolph-Sheppard Blind Vending Facilities Program, funding for which is authorized by Section 107(f) of the Act, and Independent Living Services for Older Blind Individuals, funding for which is authorized by Section 741 of the Act. As more fully explained below, we recommend (1) a $5 million appropriation to be used to equip new vending locations thereby expanding this important source of employment for blind persons; and (2) a $2 million appropriation to provide independent living services (including braille, mobility, and personal management training) to individuals who face the double handicap of advanced age and vision loss.

Mr. Chairman, the American Council of the Blind is the largest membership organization of blind and visually impaired persons in the United States. Our members come from all walks of life and reside in every corner of the country. For the past 23 years we have worked to improve the lives of this nation's blind and visually impaired citizens through legislation, legal advocacy, and public education. One of our largest affiliated organizations is the Randolph-Sheppard Vendors of America, a group of blind and visually impaired individuals who operate vending facilities located on public property by authority of the Randolph-Sheppard Act or similar state laws modeled after the federal program. The Randolph-Sheppard Vendors of America represents the majority of the blind vending facility operators in this country and that organization fully supports the funding recommendation which we present to you today.

Many of our members are also elderly. In fact, over one half of the blind and severely visually impaired people in the United States are over sixty-five years of age. These people who face the trauma of diminishing eyesight can learn the new skills they need to live independently in their own homes if they receive high quality independent living rehabilitation services.

### RANDOLPH-SHEPPARD APPROPRIATION

The Randolph-Sheppard Blind Vending Facility Program provides jobs for over 3,700 blind people. As operators of cafeterias, snack bars and concessions, they become taxpayers rather than tax users and learn management and business skills. Unfortunately, the Randolph-Sheppard program is no longer growing and expanding so that these excellent employment opportunities can be made available to more and more blind people.

The Randolph-Sheppard Act, 20 USC 107, gives state licensing agencies a priority to establish vending facilities operated by blind people on federal property. Many states have followed the federal example and have enacted "little Randolph-Sheppard Acts" which establish a similar priority for the operation of vending facilities in state buildings.

The funds for establishing new vending facilities, refurbishing old facilities, and supervising and managing the program are derived from: federal vocational rehabilitation state grants; state revenues; income from vending machines on federal property; and payments by blind vending facility managers who contribute a portion of their vending facility's income to the program.

However, these funds are inadequate to pay for new vending facilities. In FY 1983 it cost about $25,000 to establish each new vending facility. Given the fact that federal vocational rehabilitation state grants have not kept up with either inflation or the demand for service; the fact that states are feeling a budget crunch; and the fact that many facilities need to be updated and refurbished, it is not surprising that there is little money left in most states for new vending facilities. It is also not surprising that the number of vending facilities decreased in the last fiscal year.

The Randolph-Sheppard program is facing another ominous threat. In late December 1983, the General Services Administration requested bids for the cafeteria in it main building here in Washington, D.C. The bid was fashioned so that it would attract fast food enterprises. Unfortunately, it was also constructed to preclude the District of Columbia's state licensing agency from bidding on the contract and establishing a Randolph-Sheppard vending facility. It required the successful bidder to be a multistate operation and be able to take over similar operations in other states. The bid undermined the priority Congress established for blind people to operate this type of facility on federal property. Fortunately, GSA, after much pressure from interested groups, Congress and individuals, withdrew its bid proposal and the GSA facility in Washington will be operated by blind vendors. Other federal property managers have and continue to effectively preclude bidding by state licensing agencies through request for bids which cannot be met by the state licensing agencies for lack of financial resources.

Unless state licensing agencies have adequate funds to establish new vending facilities of the quality that government employees deserve and demand, federal agencies will have more and more incentive to attempt to subvert the priority. Further, as new vending opportunities become available, blind people will miss them unless money is available to establish new facilities.

In the early 1970's when the influx of vending machines onto federal property threatened to harm the program, Congress took bold steps to protect the priority. When it amended the Randolph-Sheppard Act in 1974, it set a goal for the program: the the number of vending facilities should double within five years. That goal has not been reached. Indeed, we are as far from it now as we were in 1974. It is now time for Congress to take action to make that goal a reality. Since its beginning, an appropriation has been authorized for the Randolph-Sheppard program. This appropriation authority has never been exercised.

The $5 million appropriation for fiscal year 1986 we are requesting today is a modest amount when disbursed across the country. Provided it does not supplant funds currently being devoted to the Randolph-Sheppard program, we are confident that it can reinvigorate the program. Once appropriated, the funds should be disbursed as follows: The Division of Blind and Visually Impaired in the Rehabilitation Services Administration should distribute to each state licensing agency $25,000, the average cost of a new vending facility. The remainder of the money should be distributed to states who apply for the funds for establishing new facilities. The Division of Blind and Visually Impaired should use the following criteria in making grants: (1) the need for additional vending facilities, as evidenced by the availability of trained vendors and by federal agency food service needs in the state; (2) the existence of a positive and aggressive state licensing agency; and (3) the extent which a state rehabilitation agency promotes the Randolph-Sheppard program through the use of formula grant funds under Section 110 of the Rehabilitation Act of 1973 to train, place, and provide upward mobility for blind licensees.

Unemployment among blind people is a serious problem. It is estimated that of the working blind people in this country nearly 70% are discouraged workers (able to work, but not actively seeking work) and that unemployment of those in the work force is 18 per cent. We have at hand an opportunity to provide new job opportunities for blind people. We should not let it pass.

We urge you to appropriate $5 million for the Randolph-Sheppard program for fiscal year 1986 to energize and expand this important employment opportunity for blind Americans.

## SERVICES FOR OLDER BLIND INDIVIDUALS

Before I discuss the types of services needed by older blind individuals to assist them to live more independently, I first will discuss the magnitude of the problem concerning services to this special group of people. As the size of our older population grows, the need for independent living services for older blind adults will also grow. The United States Bureau of the Census projects that by the year 2000 the number of persons age 65 to 74 will increase by 20 percent and those age 75 and older by 56 percent. We must begin now to prepare for serving this increased population.

Studies suggest that state vocational rehabilitation programs, which are geared to serving younger people to gain the skills needed to obtain employment, are inadequate to serve this population. (Cf. Hill and Harley, "Orientation and Mobility Services for Aged Visually Impaired Persons", Journal of Blindness and Visual Impairment, February, 1984, p. 49.) Many state vocational rehabilitation agencies try to be of service, but they simply lack the time, staff and financial resources to serve this older population. While some senior citizen's centers try to be of service, many blind and visually impaired people will be unable to take advantage of services which they are offered without some basic skills and confidence in their ability to function with impaired vision. Thus services available to older Americans under the Older Americans Act, such as transportation, may be effectively denied the older blind person who lacks the necessary orientation and mobility skills required for independent travel. Similarly, a knowledge of braille or other daily living skills may be needed by the older blind American to permit him/her to fully participate in senior citizen center activities.

Given this context what services are needed by elderly blind persons to enable them to enjoy their mature years? There are five primary areas of need which are presently not being met by existing, federally funded programs: orientation and mobility, living skills, communication techniques, low vision training and peer counseling. At present, each of these services are available to the "employable" blind person but they are not generally available to the older blind person.

ORIENTATION AND MOBILITY--can take many forms. The long cane, such as the one I use, is the most common means of mobility. Dog guides and body orientation techniques are also used. Through the use of these devices and techniques the blind person is able to travel safely from home to work, from church to grocery shopping, from the beauty shop to the doctor. In most cases, the need for mobility is not for employment purposes.

LIVING SKILLS--include all of those skills required for taking care of one's home. It may take the form of money identification, cooking, how to maintain your clothes. In all cases these skills are needed by all blind persons not just those who are of employment age.

COMMUNICATION TECHNIQUES--such as braille, typing, the use of large print and tape recording equipment, are all essential to the independent blind person. They may need to label spices, cleaning supplies or have access to recorded cookbooks. The handicapping aspects of blindness are transportation and communication. Access to the printed word is essential to true independence.

LOW VISION TRAINING--is often required by older persons as well as by "employable" blind persons. Many individuals who have a serious sight loss have some usable vision. By usable vision we are not necessarily talking about reading print. In many cases, the vision is only useful for traveling, cooking, or reading print that has been magnified through the use of lenses or technology. The training may be in the use of one of these low vision devices or it may be simply in how to take advantage of the sight you have to cross the street safely.

PEER COUNSELING--is often overlooked, but it plays an important part in rehabilitating blind persons. The knowledge that there are others who are having some of the same troubles and frustrations as you are having can help in keeping you motivated. The tips that others can offer you on tasks such as sewing and cleaning take on added significance when told to you by a fellow blind person.

What can Congress do to help provide adequate services to older blind persons? Last year, the American Council of the Blind requested a $2 million appropriation for Title VII Part C of the Rehabilitation Act of 1973 as amended. When Title VII was added to the Rehabilitation Act in 1973, Congress tied funding for this program to funding for Part A of Title VII which authorizes an independent living rehabilitation state grant program. Congress required each state vocational rehabilitation agency to incorporate any new methods and approaches to providing independent living services to older blind people into its independent living program. Thus, the funds for services for older blind people which we are seeking today will not only be used for direct service, but will provide states with experience about efficient, effective methods to deliver these services in their comprehensive statewide independent living state grant program.

In the 1984 amendments to the Rehabilitation Act, Congress separated the authorization for an appropriation for Part C from an appropriation for Part A of Title VII. Each program now has a "such sums" authorization.

In response to our request last year for an appropriation for Title VII Part C, the House Appropriations Committee recommended an appropriation of $1 million for this program because "the Committee is concerned that the needs of elderly blind are not being adequately addressed because the current vocational rehabilitation programs tend to concentrate on blind and visually impaired individuals of optimum employable age and serve few middle age or older persons." (See House Report 98-911 at page 114.) This Committee, although failing to provide funding for Title VII Part C for FY 1985, also expressed concern that the needs of elderly blind Americans were not being adequately met and directed the Rehabilitation Services Administration to include elderly blind persons in its target population of unserved or underserved individuals (see Senate Report 98-544 at page 166).

We again ask the Congress this year to appropriate funding for Title VII Part C of the Rehabilitation Act. Although $2 million alone cannot meet the needs of our older blind citizens for independent living services, it is a step toward developing better systems for serving these special people. The cost of independent living services is minimal compared to the high cost of institutional care. For example, the state of Michigan spent $4 thousand per independent living client in FY 1984 compared to an average cost of $1600 per month for nursing home care. The Michigan program encompasses only a few counties and served sixty older blind persons having an average age of 74.2 years. 33 percent of the individuals served were over age 80. Obviously, we recognize that an appropriation in excess of $2 million is, of course, needed if any meaningful level of service is to be provided to elderly blind persons nationwide.

The services which older blind Americans need are usually provided younger employable individuals who are clients of rehabilitation agencies. We lack only the funding to support the necessary staff and resources which would enable these same services to be provided to older blind citizens.

Senator WEICKER. Scott, I wish that everyone were as courteous as you are, you are far ahead of the lights. I very much appreciate your statement.

As I recall, in the conference last year, we started the funding of part (a).

Mr. MARSHALL. That is correct.

Senator WEICKER. I also remember that at that conference I indicated that in fiscal year 1986 we should start funding part (c).

Mr. MARSHALL. That is correct, sir.

Senator WEICKER. I assure you that it will be my intention. As to the amount, I can't give you any assurances, but I certainly intend to follow through on the promise made in the conference last year and I intend to get part (c) funded this year.

Mr. MARSHALL. I appreciate that, sir.

As you know, we did get $1 million in the House bill last year and very good language in the Senate report last year about the need. Unfortunately, despite your direction to the Rehabilitation Services Administration to commit or encourage the States to use more of their funds in this area, not much has happened since then.

I think the only way we are going to be able to see any improvement is to simply have some money and a firm directive from the Congress to do it.

Senator WEICKER. OK, we will do it.

Mr. MARSHALL. Thank you very much.

Senator WEICKER. Thank you.

## STATEMENT OF MARTHA LENTZ WALKER, M.D., PAST PRESIDENT, NATIONAL COUNCIL ON REHABILITATION EDUCATION

Senator WEICKER. Next we have Dr. Martha Lentz Walker, M.D., past president of the National Council on Rehabilitation Education

Dr. WALKER. Mr. Chairman, I am a professor of rehabilitation at Kent State University, and I represent educators and training specialists from more than 80 institutions of higher education within the United States, whose responsibility it is to train a variety of professionals to assist disabled persons to seek employment and find it, and to live independently.

I thank you for being heard and also for the opportunity of submitting a statement from the National Council on Rehabilitation Education for the record.

Thirty-one years ago when the Rehabilitation Act of 1954 was signed into law there were little of the resources that you have heard today in existence. There was no captioned TV. There were no electric wheelchairs, no rehabilitation facilities, nor group homes. But there were some rehabilitation warriors, including Lister Hill and John Fogarty and Mary Switzer, who saw that there were three things that were necessary for disabled persons to be integrated into society—services, certainly, but research and training had to undergird that.

They set about building a capacity for training in this country that exists today but just by a hair. It is a proud history, the building of that industry, and I know that you are a great supporter of that rehabilitation effort.

What has changed also in those 31 years is the job of those persons who work as professionals in rehabilitation. It is a harder job now. We have a wider range of disabilities, more severe than one could have ever dreamed, and the hopes of those disabled persons to actually work and become part, fully to participate in our society.

We also have a very high unemployment rate among disabled adults. Fifty-eight percent of adult males and 76 percent of disabled females are not today in the work force. With the postindustrial society upon us, the difficulty in finding jobs that are technical and professional, and the decrease in unskilled or semiskilled jobs makes that transition from care or restoration to work even more difficult. That is what a rehabilitation professional is supposed to do, to help to locate transferable skills, to modify the job, or to redesign the worksite.

What has also happened in the last 10 years is not a very pleasant history. The number of programs across the country have doubled, but the amount of money has stabilized or decreased, and resources have been stretched very tight.

Within the last 3 years, the number of graduates has been reduced by 16 percent. The net effect, if the administration's recommendation is followed, is a 76-percent reduction will be suffered in the number of graduates produced.

Finally, one in four persons with disabilities will be served by rehabilitation professionals who are qualified.

I would like to recommend and the National Council on Rehabilitation Education recommends full funding for training at $31 million.

I wish tc thank you for this opportunity to recall our history and to reaffirm our belief that the budget deficit should not be made up from the future of disabled persons. It is a joy to share that with you today.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much for your testimony. It is greatly appreciated.

[The statement follows:]

## STATEMENT OF DR. MARTHA LENTZ WALKER

Mr. Chairman, Members of the Subcommittee, ladies and gentlemen: My name is Martha Lentz Walker, Professor of Rehabilitation Counseling at Kent State University, and Past President of the National Council of Rehabilitation Education (NCRE), an organization composed of educators, training specialists, and students. We prepare and maintain the competency of a variety of rehabilitation personnel who assist a portion of the 27 million disabled Americans needing rehabilitation services to find employment and to live independently.

I am pleased to have this opportunity to testify before the Committee and to submit our statement for the record supporting full funding for rehabilitation, education, training, and research.

Thirty-one years ago your predecessors recognized the importance of training for those professionals who provided rehabilitation services, on an individualized basis, to disabled citizens. Sputnik was three years in the offing, and the leaders who sat where you now sit were farsighted in their vision of the importance of federal assistance for education of rehabilitation personnel. It took the orbiting of Sputnik to awaken the nation to other educational deficits, but in 1954 the need for training providers of rehabilitation services was recognized and funded.

Looking back thirty years causes us to realize how wise an investment those legislators made. In 1954 there was no captioned TV, no electric wheelchairs, no group homes or community living opportunities for disabled individuals, no rehabilitation facilities for vocational assessment and work adjustment. But there were some great rehabilitation warriors: Mary Switzer, Lister Hill, and John Fogarty who were determined to turn back hopelessness by building the resources needed to include disabled citizens in the work and play of our nation.

The capacity-builders believed that quality of service would depend on the quality of research and training that fed the rehabilitation program. An effective, efficient delivery system was only possible if competent professionals were the providers. Emissaries were sent to universities across the country, establishing academic bases from which an educational program could grow. Traineeships attracted students who had never heard of rehabilitation careers, and the supply and reputation of rehabilitation professionals grew.

Today universities employ faculty in rehabilitation disciplines, honoring the commitment made to the federal rehabilitation agency to assume those costs. Today there are national curricular standards and national certification requirements to insure the quality of educational preparation and maintenance. A continuum [illegible] education and training exists, a network of resources produced by federal initiative and sustained [illegible] both state and federal commitments. Progress has been made during these last thirty years.

But we have new challenges in 1985, staggering when combined with the Administration's recommended cuts in rehabilitation training. The need for competent professionals has never been greater: disability definitions have been broadened to include those whose hope of survival would have been miniscule in 1954. The leaps in life-saving technology have not been matched by life enhancing programs. You and I read of 18 year-old youths who were born with spina bifida, picketing the hospital that cared for them as infants, asking:"Why did you insist we live a life without dignity?"

The rehabilitation program has historically focused on the moral obligation to sustain life through productive activity, but reaching that goal depends upon the skill of the providers. Rehabilitation professionals are the equalizers of opportunity for disabled citizens, appraising their abilities and interests, understanding their needs, brokering labor market information. The 1980 Census and 1981-82 population surveys reveal that 52% of all persons reporting a work disability say they were prevented by the disability from working. Many of these persons have not had the opportunity to be served by trained rehabilitation professionals.

The fact that 58% of disabled men and 76.5% of disabled women are out of the labor force is evidence of the difficulties disabled adults face in finding employment. Direct and sustained intervention is needed to equalize opportunites for disabled citizens.

We are changing from an industrial to a post-industrial society. The 1980 census figures will only worsen in the dark shadow of unemployment if rehabilitation technology and rehabilitation professionals are not utilized. The shift away from semiskilled and unskilled jobs and the resulting competition for technical, scientific and professional work will increase the difficulty factor for disabled men and women, unless we renew our commitment to access for all. It is even more important in 1985 than it was in 1954 for rehabilitation professionals to discover the capabilities of disabled citizens, influence employers, and educate communities.

That mission cannot be accomplished if the providers of service are untrained or poorly trained. The shift to the information age and the premium now paid for knowledge was spurred by the computer. The computer is also thought to be the solution to employment problems of many disabled persons. Through speech recognition technology the computer is able to "hear" for deaf persons; through voice command technology, persons with mobility impairment can now deal with the practical difficulties of daily living and job demands; speech synthesizers aid those with visual impairments or conditions such as cerebral palsy and muscular dystrophy. Computer technology can make it possible for persons to live lives based on what they can do, not on what they cannot do.

Much of available technology is of little use to disabled persons unless they know it exists, know what they would like to be able to do with it, and are assisted in adjusting to work or adjusting the work situation to their needs. Rehabilitation professionals are trained to identify transferable job skills, adapt the work site or modify the job. They report a great need for up-to-date information about techniques and technologies so that they can continue to be effective in this information age. There is a mechanism for that training, Regional Continuing Education programs, part of the continuum of training resources created in the past 30 years.

The network of training for rehabilitation professionals, carefully constructed after early recognition by your predecessors, is dreadfully frayed. A review of the past ten years shows how fragile the rehabilitation training resource is:

. In 1975 there were 38 educational institutions receiving $19.8 million in federal support for rehabilitation training.

. By 1980 there were 72 training programs receiving $30.5 million (but authorized for $50 million in 1982)

. By 1983 there were 229 programs (including preservice, continuing education, and in-service) with only $19.2 million in funding

- In 1984 Congress increased the appropriation to 22 million, in an attempt to repair the damage of inadequate funding
- The Administration has proposed funding rehabilitation training at $15 million for FY 1986

The estimated effect on the supply of rehabilitation personnel, should the Administration's recommendation be accepted, is a 76% reduction in the number of qualified rehabilitation personnel available for working with disabled persons.

This shortage would mean that persons with severe disabilities would have one chance in four of being served by a qualified professional. In the language of the Amendments to the Rehabilitation Act of 1984, the word "qualified" is defined, and the intent was clearly to affirm the importance of training for the rehabilitation professional.

Personnel shortages were addressed in the same Amendments, with the mandate to the federal rehabilitation agency to supply documentation of personnel shortages and personnel skills. Studies completed in 1984 show that new hires will be needed to fill 11,802 projected vacant positions in rehabilitation. Universities report the projected granting of 4,182 degrees. If each of these graduates were employed by rehabilitation agencies, there would be a 65% shortfall; if President Reagan's budget request is accepted, the 65 percent shortage will increase to 76% of the minimum number of qualified professionals needed to meet the manpower needs of rehabilitation agencies.

Rehabilitation agencies will be forced to employ persons who have not received appropriate rehabilitation training and these same agencies will have reduced in-service and continuing education funds to upgrade old and new employee skills. The cost of starving educational resources is finally borne by the disabled persons receiving services. Appropriately trained rehabilitation professionals have a greater awareness of clients' motivational problems, accept more difficult cases, and plan rehabilitation programs that result in higher client satisfaction, securing jobs, promotions, and pay increases.

We understand the deficit dilemma, but we do not believe it should be resolved on the backs of citizens struggling to overcome handicaps to enter the information age. The suggestion that nonprofit, private charitable giving will replace federal support of human service programs has been discredited: less than $1 of every $10 cut from human service in the first three years of the Reagan administration has been replaced by charitable giving.

Even so, the disabled citizen does not want charity. It is equal opportunity, access to knowledge and productivity that is the goal. The qualified rehabilitation professional is a key to that access. The continuum of rehabilitation educational resources constructed over the last 30 years is in jeopardy. THE NATIONAL COUNCIL ON REHABILITATION EDUCATION RECOMMENDS AN APPROPRIATION OF $31 MILLION FOR REHABILITATION TRAINING FOR FY 1986.

In my efforts to be brief, I have not discussed the breadth of specialists involved in rehabilitation training and the need identified in 1983 and 1984 for each. I would like to mention these professionals now, to leave you with the understanding of the continuum of preservice, in-service and continuing education for a diverse, but essential group of present-day rehabilitation warriors.

- The rehabilitation counselor is the pivotal staff member in the federal/state rehabilitation programs and rehabilitation facilities. Fewer than 50% of the rehabilitation counselors currently employed by state VR agencies meet the definition of "qualified." That deficit will increase to 76% if the Administration's recommendation is followed.
- Work adjustment counselors and work evaluators are principally employed by rehabilitation facilities to assist disabled clients in making the transition to work. By 1990 there is an estimated increase of 87% in the need for such facility personnel.
- Rehabilitation supervisory personnel manage rehabilitation facilities across the country. A 69% growth is projected for this type of personnel by 1990.
- Placement specialists, who work for both state VR agencies and facilities in the crucial function of employer contacts are expected to increase in need by 113.7%.
- Specialists in the fields of rehabilitation of the deaf and blind, the mentally ill and mentally retarded are also expected to be in short supply by 1990.

These manpower needs have been identified nationally, as required by the Amendments to the Rehabilitation Act (H.Rpt.No. 98-595). Funding for rehabilitation education and training is a guarantee for disabled citizens to receive services from professionally trained practitioners who are aware of developing technology and techniques. The equalization of opportunity can only be achieved as a national goal for disabled citizens if federal funds are targeted for rehabilitation education, training, and research.

Thank you for this opportunity to convey the urgency for full funding for Rehabilitation Training for FY 1986. You stand between a "Great Training Robbery" (the steady reduction of funding for a respected, productive resource) and the reaffirmation that deficits should not be cut from the futures of the disabled.

## STATEMENT OF LYNN GROVES, EXECUTIVE DIRECTOR, UNITED CEREBRAL PALSY ASSOCIATION OF FLORIDA

Senator WEICKER. Next we have Lynn Groves, executive director of the United Cerebral Palsy Association of Florida.

Ms. GROVES. Good morning.

I would like to talk with you this morning about four topics: vocational rehabilitation, the National Institute for Handicapped Research, the Development Disabilities Planning Act, and the Education for Handicapped Children Act. Each of these programs has in the past and with appropriate funding will in the future enhance the quality of life for persons with disabilities ranging from the premature infant who is first served at the neonatal intensive care unit, through that child's public school career, and into adulthood life.

The basic State grants under the VR program provide a Federal and State partnership to provide services to persons with disabilities. The goal of these services is to enable persons with disabilities to become gainfully employed.

Although the President's budget indicates that there is a decline in VR caseloads, in Florida alone, we have over 800 students graduating from secondary public education programs in special education, and a substantial number of these students will be eligible as new VR clients.

In Florida, we also have a cooperative agreement between the vocational rehabilitation agency of the Department of Education and other State agencies to provide staff attention and resources to assuring that appropriate preparation and smooth transition from school to work of students, which may include a referral to a VR counsellor.

Funding of the vocational rehabilitation program at its authorized level for 1986 will insure that these programs continue in Florida such that persons with disabilities become economic contributors to our economy.

Title VII of the Rehabilitation Act establishes comprehensive services for independent living for persons whose disabilities may be so severe that they do not presently have the potential for employment but may benefit from services which may enable them to live and function more independently.

It is essential to fund both parts (a) and (b) of this program. There are 160 centers for independent living in the United States, and 7 of these are located in Florida. In Florida, our Department of Health and Rehabilitative Services' Developmental Services program has authority to serve persons with developmental disabilities who are not retarded, but there are insufficient State funds, providing these persons with waiting list status instead of training for independent living or competitive employment. In this respect it is important to fund both parts of this appropriation. Part (a) we recommend at $30 million, and part (b) at $23 million for fiscal year 1986 as a good faith effort on the part of the Federal Government in supporting State initiatives in serving severely disabled persons.

The National Institute for Handicapped Research promotes expanded research in traditional and innovative fields of rehabilitation. The institute is responsible for research related to the medical, social, psychological, and rehabilitative services, and environmental aspects of equipment devices.

The United Cerebral Palsy Association is concerned with the linkage or the lack of linkage between people with disabilities and developing technology. We believe that much technology exists that could help disabled persons become employed and lead more independent lives, yet only one rehabilitation engineering center, primarily concerned with the employment of disabled persons, exists.

In Florida, we are employing state-of-the-art technology in providing rehabilitative services to profoundly handicapped children and adults who have been fed through tubes lying on their backs for a number of years in custodial care institutions. Today these persons are living in small residential programs, being fitted with specially designed positioning and sitting devices which permits eating by mouth and enhances the overall body functions.

United Cerebral Palsy urges this committee to make NIHR a funding priority in the coming years so that disabled persons can begin to benefit from the new devices which can revolutionize their lives. We hope that one of these priorities is the funding of the second rehabilitation engineering center devoted to the development of technology for employment and independent living for disabled persons.

The DD State Grant program provides funds to modify and adapt generic services and promote and create specialized services to fill the gaps in social service agencies. In Florida, our DD Council has funded a number of studies to provide evaluation and planning in sharpening our service delivery system in Florida. It also provides seed money for special projects, and we have one located at Cerebral Palsy of Tampa Bay, which is a respite care program developed on a co-op model.

In terms of the Education for all Handicapped Children Act, in Florida, this source of Federal funds together with State statutes and rules in Florida, have made free public education available to all handicapped children 5 to 18.

Through the early childhood incentive grants, we will soon be able to look at mandatory preschool and kindergarten education for handicapped children, and we would look for this committee's support of this program as well.

Senator WEICKER. Lynn, thank you for your testimony, we greatly appreciate it.

PREPARED STATEMENT

Ms. GROVES. We would like our testimony submitted for the record.

Senator WEICKER. Your testimony will be included in its entirety in the record. Thank you very much, it was good to see you.

[The statement follows:]

## STATEMENT OF LYNN GROVES

### INTRODUCTION

Testifying before the Subcommittee today is Ms. Lynn Groves, Executive Director of UCP of Florida. This affiliate is actively involved in lobbying the Florida State legislature in Tallahassee and providing technical assistance to the 10 local affiliates which are scattered throughout the state. As part of their lobbying activities, UCP of Florida is a member of the Clearinghouse in Human Service, a coalition of groups representing the developmentally disabled, health care providers, the elderly and children. This coalition meets weekly when the legislature is in session and exchanges valuable information of concern to these consistency groups. Lynn has actively responded to concerns of the UCPA Governmental Activities office and has proved to be an invaluable "sounding board" throughout her tenure at UCP of Florida. Ms. Groves will testify today on behalf of United Cerebral Palsy Associations, Inc., on appropriations relating to the "Education of the Handicapped Act", the "Developmental Disabilities Act", and the "Rehabilitation Act of 1973", as amended, with particular emphasis on the need for greater focus on rehabilitation engineering as it relates to employment and independent living. We are certain that Ms. Groves will provide the Subcommittee some invaluable information.

### VOCATIONAL REHABILITATION

### Basic State Grants

Section 110 of the "Rehabilitation Act of 1973" as amended, authorizes the federal government to enter into partnership with states to provide rehabilitation service to persons with disabilities. This federal/state program has consistently been proven to be cost-effective in rendering comprehensive services to persons with physical and mental disabilities. The goal of the services offered vocational rehabilitation agencies is to enable the disabled person to become gainfully employed.

The President's budget states that there has been a decline in the total number of active Vocational Rehabilitation cases from 936,180 in FY 84 to an estimated 929,000 in FY 85. It has been suggested that, because of scare resources, State Vocational Rehabilitation agencies are only able to serve approximately one out of every 20 disabled persons who need these services. Persons with cerebral palsy often present a unique challenge to rehabilitation counselors, and thus UCPA is keenly aware of the need to increase funds for Vocational Rehabilitation services. We also continue to work with state and local rehabilitation agencies and to increase the awareness of rehabilitation personnel to the rehabilitation needs and the vocational potentials of persons with cerebral palsy.

UCPA joins with the Consortium for Citizens with Developmental Disabilities (CCDD) and the Counsel of State Administrators of Vocational Rehabilitation (CSAVR) in recommending that this program receive $1,203.2 million, which is the program's authorized level for FY 86. It is critical to remember that the benefits accured from the provision of rehabilitation services may be as intangible as a heightened sense of personal self worth, or as tangible as increased tax revenues for cities, states and the federal government. In fact, the author of this testimony herself was served by vocational rehabilitation throughout her college years. Now, she has been employed for over twelve years, owns her own home and car, and willingly pays federal state and local taxes. For these reasons, UCPA urges the Subcommittee to appropriate $1,203.2 million for the Vocational Rehabilitation state grant program.

## Independent Living

The "Rehabilitation Amendments of 1984" (P.L. 98-221) reauthorized Title VII of the Act which established comprehensive services for independent living. This portion of the Act was designed to provide services to persons "whose disabilities may be so severe that they do not presently have the potential for employment but may benefit from...services which may enable them to live and function more independently." Part A of Title VII establishes a statewide program, to be administered through the State Rehabilitation agency which will provide and array of services to enhance the individual's abililty to live in the community. This program received $5 million in FY 85 and UCPA has already seen some encouraging effects of this appropriation which we will outlined later in this testimony.

Part B of Title VII of the Rehabilitation Act authorizes Independent Living Centers which also serve persons who are currently too severely disabled to qualify for vocational rehabilitation services. Presently, the Administration funds 86 grantees who operate 160 centers. These Centers serve more than 30,000 individuals with severe disabilities. Over the years, UCPA has been strongly supportive of Centers for Independent Living. Indeed, when this portion of the law was first enacted, the services provided by Centers for Independent Living were and are still seen as critical particularly to persons with severe physical disabilities.

In this time of fiscal austerity, is it truly necessary to fund both Part A and Part B of Title VII? Aren't these services duplicative? Perhaps a glimpse at the problems faced Pennsylvania will enable members of the Subcommittee to understand why these services are not duplicative and why UCPA remains committed to receiving funding for both Part A and B of this program. UCP of Pennsylvania represents 19 local affiliates, many of whom work with severely physically disabled adults. According to a recently completed needs survey, many of these severely disabled adults live at home with parents who are age 60 or older. Clearly, these adults are at a risk of being institutionalized, because they "fall between the cracks". Vocational Rehabilitation cannot provide services to them because they lack an apparent vocational potential. In the state of Pennsylvania, the Department of Mental Health/Mental Retardation can only provide services to persons who are mentally retarded whose IQs are 70 or below. UCP of Pennsylvania reports that Part B monies have helped the adults to some extent but not the majority of persons who have complex needs and who may require such services as attendant care, housing, and community living arrangements. These adults may also need training in independent living skills which will enable them to live with dignity in their own communities. While the situation for these adults seems bleak, UCPA of Pennsylvania is hopeful. On May 8th of this year, 19 local affiliates will meet with district representatives of the Office Of Vocational Rehabilitation to discuss the use of Part A monies in the state. As part of this cooperative effort, UCP of Pennsylvania is working with the Office of Vocational Rehabilitation to develop a plan for expending the FY 85 appropriations for Part A. Also the Executive Director of UCP of Pennsylvania is on the Policy Advisory Committee to the Office of Vocational Rehabilitation Board and has regular input into the independent living needs of severely disabled adults. UCP of Pennsylvania is hopeful that these efforts will ultimately lead to improved services for severely disabled adults.

UCPA joins with CCDD in recommending that Part A (Services for Independent Living) of Title VII receive $30 million and Part B (Centers of Independent Living) receives $23 million for FY 86. We make this recommendation with the full understanding that this will not begin to meet the independent living needs of severely disabled persons. Yet, with the appropriations recommended above, we feel that states can begin to comprehensively address these needs of severely disabled persons who do not now qualify for vocational rehabilitation services.

## NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

The National Institute of Handicapped Research (NIHR), which was established under the "Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978" promotes expanded research in both traditional and innovative fields of rehabilitation. The Institute is responsible for research related to medical, social, psychological and vocational rehabilitation services. It is also responsible for research related to environmental aspects of rehabilitation equipment and devices.

UCPA continues to be concerned that technology is not yet readily available to persons with disabilities. Much technology exists that could help disabled persons become employed and/or live more independently. Yet, the only Rehabilitation Engineering Center (REC) which is primarily concerned with employment is Center Industries Corporation, which is affiliated with UCP of Kansas. While this REC has enabled many severely disabled persons to live productive and independent lives, we firmly believe that much more can be done to research and disseminate technological advances to disabled individuals. Perhaps this quote from Ms. Judy Hueman, former Senate staff person who is severely disabled will help the Subcommittee understand the urgency of this problem. Ms. Huemann states:

> "What distresses me is that although technology has advanced, it is not benefiting the people who need it so desperately in order to lead equal lives. We are not asking for luxuries. Technology has allowed many Americans to live more luxurious lives. We are asking for basics: To go to the bathroom by ourselves, to go down a street by ourselves, to get on and off a bus by ourselves, to be able to obtain a job, to be able to live lives free from fear or whether we will have to live in a nursing home, to live free of fear about how we will pay for our next wheelchair, to live free of fear that we have to institutionalize a loved one because we can no longer physically take care of that individual. (Testimony of Judy Heumann at the Joint Congressional Hearing on Technology and Handicapped People, September 29, 1983)"

We feel that this statement, and myriads of professional research underscore the urgent need to focus on the development and dissemination of technology which will enable persons with disabilities to live independently and become productive members of society. We strongly urge the Subcommittee to consider making this a major funding priority in the coming years so that disabled persons can begin to benefit from these new devices which have the potential to revolutionalize their lives.

We are also very enthusiastic about the newly authorized Innovation Grants which allow NIHR to award small grants of $50,000 or less to projects which will explore new ideas in rehabilitation. These grants may be used for a variety of purposes including conferences which consider the unique needs of a low incidence populations and the development of a prototype devices which will enable disabled persons to function independently. We feel that these small grants have great potential to promote creative thinking throughout the rehabilitation community.

UCPA joins with CCDD in recommending that NIHR receive $44 million for FY 86. This would allow for continuation of current research efforts and enable NIHR to fund approximately 40 new research grants. (This is the same number of new research grants which were funded in both FY 84 and 85.) In light of the progress being made by NIHR, (particularly in the area of technology and rehabilitation engineering), we feel that this is a reasonable appropriation request. UCPA hopes that some of this new money will go to a new REC to explore the use of technology in employment and independent living.

## THE DEVELOPMENTAL DISABILITIES ACT

### State Grant Program

The Developmental Disabilities state grant program creates State Councils which are responsible for planning, evaluating, coordinating and advocating for services for persons with developmental disabilities.* Funds are used to modify and adapt generic services, promote or create specialized services to fill gaps and enable cost-effective and efficient service delivery.

One excellent example of how the Developmental Disabilities program is improving the lives of persons with developmental disabilities and their families can be found at UCP of Tampa, Florida. This affiliate was awarded a grant of approximately $35,000 to provide respite care to families of children with developmental disabilities. Often a child with a developmental disability--particularly a severe disability--presents a unique challenge to parents and other family members. The child may require extensive personal and/or therapeutic care which is intensive and time consuming. While most families willingly give this time to their

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*Developmental disabilities occur early in life and may require a variety of services in order to meet each individual needs.

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disabled child, there are times when the family may need a "respite" from the child. Perhaps parents feel the need to spend some time alone or with their nondisabled children. Or perhaps there is an illness or death in the family which makes caring for the disabled child impossible for a time. The grant from the Florida DD Council has allowed UCP of Tampa to set up a Respite Care Project which uses a Cooperative Model. Through this Cooperative Model, parents literally help each other by caring for one another's children. Parents can "earn time" and, when the need arises to obtain respite care for their own son or daughter, they can obtain this care knowing that a fellow-parent is carefully tending to the child's needs. Parents participating in this cooperative project are provided extensive training via video tape so that they are prepared to handle any problem which may arise when caring for another person's developmentally disabled child. Perhaps the most important aspect of this project is that it will become self-sustaining so that, after the project has ended, parents will still receive these critical respite care services.

UCPA joins with the CCDD in recommending that the Developmental Disabilities State Grant Program receive $53.4 million for FY 86. In FY 81, funds for the Developmental Disabilities State Grant programs were sharply reduced and held level through FY 84. Since 1979, when a new definition of developmental disabilities and new state council responsibilities were added to the Act, this program has struggled to survive and meet its expanding responsibilities. We believe that a figure of $53.4 million will enable the State Grant Program to fulfill its responsibilities and thus enable persons with developmental disabilities and their families to receive help which will enable them to reach their full human potential.

## PROTECTION AND ADVOCACY

Protection and Advocacy Systems (P&As) function in all 50 states and six territories. They are one of the most important components of the

Developmental Disabilities program because they articulate the rights of persons with developmental disabilities, many of whom reside in institutions where they may receive inadequate care. They also provide personal and systematic advocacy services to developmentally disabled persons who reside in the community. Finally, parents of developmentally disabled children often look to the P&As for direction in finding services for their children. While P&As have the capacity of bringing legal action on behalf of their clients, they have developed a tradition of successful negotiation, settling 97% of their cases without resorting to litigation.

One good example of how the Protection and Advocacy System has helped persons with cerebral palsy can be found in Texas. There, the P&A intervened in a case where a young man with cerebral palsy had been denied employment by a major metropolitan school system. Employment is a major problem for persons with cerebral palsy because of the misconceptions about their employment potential. Often our adult population is either unemployed or employed at a level far below their ability. When the Texas P&A was contacted by this young man, they began an investigation and filed a compliant under Section 504 of the "Rehabilitation Act of 1973" as amended. Thanks to their efforts, the young man is now successfully employed by the school system.

We join with CCDD in recommending that the Protection and Advocacy program receive the full authorization of $14.6 million during FY 86. Funding at this level would provide for a small but much-needed cost of living adjustment.

## THE EDUCATION FOR THE HANDICAPPED ACT

P.L. 94-142, the "Education for All Handicapped Children's Act" is of paramount importance to UCPA. Prior to the enactment of P.L. 94-142, many children with cerebral palsy either received an education which did not meet their needs, or received no education at all. On the tenth anniversary of the enactment of this law, we are delighted to report that many of the children whom we represent are now receiving the special education and related services which will enable them to reach their full potential. In fact, some of our young adults who have already had the benefit of P.L. 94-142 show great promise and we expect these young people to become contributing members of their community as they live, work, and play beside their non-disabled peers. While much progress has been made in the implementation of P.L. 94-142, we are distressed that the Congress has not lived up to the fiscal promise it made when it enacted the law. Orginally, the law authorized the federal government to pay for up to 40% of the National Average Per Pupil Expenditure (NAPPE). Yet, the Administration's proposed freeze for this program would reduce the federal government's fiscal commitment for this program from 8% in FY 85 to 7% in FY 86. The enactment of such a freeze would mean that children would most likely receive fewer related services and the substantial progress which has been made in special education in recent years would be diminished or perhaps lost altogether. We join with the CCDD in recommending that the State Grant program authorized by P.L. 94-142 receive $1.347 billion in FY 86. This would increase the NAPPE to approximately 12% which is the level this program was funded at during the late 1970's.

UCPA is also concerned about preschool services for young handicapped children. Cerebral Palsy generally occurs prior to, during or shortly after birth, so UCPA is keenly aware of the value of preschool services for very young disabled children. As these youngsters receive special education and related services, they learn at an early age how to successfully accomplish the tasks of work and play. A good example of the progress being made in the area of early childhood education can be found at the Florida State Education Agency. Through a grant given to Florida by the Department of Education, the SEA is working with other service providers to mandate preschool services for disabled children ages 3 to 5. Within the next several years, the state hopes to make this dream a reality. There are two programs which focus on the unique special educational needs of young disabled children which we would like to highlight for the Subcommittee. First, we recommend (along with CCDD) that the Preschool Incentive Grant program receive $36.48 million for FY 86. Second, we recommend that the Early Childhood Education Program receive $28.3 million for FY 86. These funding levels will assure that our nation's very young children will begin to receive the services which will need to fully develop their potentials.

Finally, there are two programs authorized by P.L. 98-199, the "Education of the Handicapped Amendments of 1983" which warrant our attention. The first is a program entitled Secondary Education and Transitional Services for Handicapped Children and Youth. This program authorizes services for youngsters who have completed their schooling yet may require additional services in order to make the successful transition from school to work and/or independent living. A good example of this program is the Planned Linkages Among Needed Services (PLANS) project operated by UCP of Prince George's County, MD.PLANS identifies youngsters who will be leaving school and offers them a single point of entry into what can otherwise be an overwhelming human service system. This project identifies the individual student's needs and, through computerization, links the young adult to the needed services. PLANS also provides psychological support to these young people and their families so that they are better able to handle the many stresses and adjustments which severely disabled persons feel when they are choosing their vocation and lifestyle. Finally, participants in this program receive training during the summer months which enhances their independent living skills and helps them prepare for the world of work. Perhaps the best example of the success of this program is the fact that 85-90% of the adults who graduated in June of 1984 and who participated in PLANS are now involved in a major day activity such as supported a work, competitive employment, sheltered employment, or some type of training. While this program was funded through the Maryland Developmental Disabilities Council, it is a good example of a transition program which has made a difference in the lives of young disabled adults. We recommend that this Secondary Education and Traditional Services program receive $6.66 million in FY 86 which is its full authorized amount.

UCPA also enthusiastically supports the recently authorized Parent Training Program. This program, which is authorized to receive a 10% set-aside from the Special Education Personnel Development program, is designed to help parents understand the unique needs of their disabled children. Also, parents receive important training concerning their child's educational rights under the statute. This training is critically needed, especially for those parents who have recently discovered their child has a disability. UCPA believes that better informed parents can become partners with professionals in both the medical and education communities. Clearly these partnerships will enhance the provision of special education and related services to our nation's disabled children. We join with CCDD in recommending that the Special Education Personnel Development Program receive $64.37 million for FY 86.

## STATEMENT OF DAVID BRADLEY, DIRECTOR, THE NATIONAL COMMUNITY ACTION FOUNDATION

Senator WEICKER. Next we will hear from David Bradley, the National Community Action Foundation director.

Mr. BRADLEY. Good morning, Mr. Chairman.

Good morning, David.

Mr. BRADLEY. My name is David Bradley, and I am here to talk about the community services block grant.

I wish I could start off my testimony by saying that this is a program that enjoys universal support, and that we are one of the administration's favorites. I can't do that. Indeed, for the fourth consecutive year, the administration has recommended the elimination of the community services block grant.

When they testify before this committee and elsewhere, they point out three reasons why they want to get rid of the block grant. One is that the activities of the community services block grant duplicate social services block grant. Two is that the community services block grant is only 12 percent of the funding, and community action agencies really don't need CSBG funds to survive. Three is that 40 percent of CSBD funds are used for administrative costs.

My testimony, that I want to submit for the record, answers all of those charges, and I think it is a fair, honest, and accurate assessment of why the administration's arguments are not true.

The fact is, Mr. Chairman, that that is not the reason they want to get rid of the community action agencies from the community services block grant. As we learned late last Thursday, and into the wee hours of the morning, there are two primary reasons that they argued against this program. One is that it is organized representation for the poor, and that came out repeatedly in the negotiations. Two, amazingly enough, the program does not deserve to be around because it was created by Lyndon Johnson as part of the Great Society. That came out last week, and we saw it repeatedly into the evening in discussions on trying to save the program.

In talking to you today, and recommending the funding that we need for the program, I can only point up a couple of things. One, we still have some major hurdles to go this year to keep the program alive. We have a reconciliation coming up. We have a House budget battle, which I think is going to be a little easier than the Senate, at least as of 10 minutes after 9 this morning, and then we will have, theoretically, a budget conference.

So if things work out on reconciliation, if they work out in the budget conference, I would point out three things to you in terms of funding.

No. 1, the subcommittee is forced to make cuts, if you have a $900 million shortfall under what you had last year, this program is prepared to take its cuts. It is important to us to stay alive. You have been a central factor in this program remaining alive. So if there is a position that you have to cut 5 or 10 percent across the board on some programs, we are prepared to take that.

No. 2, if you are prepared to fund us at last year's level, we are prepared to take that for 2 or 3 years.

No. 3, if you want to invest some money and see some results, we are also prepared to take more money. I am hopeful that this is a luxury that we will have, but I don't think that it will be.

This program is touching the lives of 80 percent of America's poor. In Connecticut and elsewhere we are making a difference out there. We have a long way to go to keep the program intact.

PREPARED STATEMENT

Mr. Chairman, I close by saying that you have been very, very essential in where the program is.

[The statement follows:]

## STATEMENT OF DAVID BRADLEY

Good morning, I am David Bradley, the legislative representative of the National Community Action Foundation, which is the Washington representative of the nation's 900 Community Action Agencies. I am very grateful for this opportunity to testify before the committee and to correct some of the misinformation about the Community Services Block Grant that the Administration is perpetuating.

For the fourth consecutive year, the Administration has proposed the elimination of the Community Services Block Grant. The Administration's 1986 budget proposal gives three reasons to justify its position. These are:

- that activities of the Community Services Block Grant duplicate those of the Social Services Block Grant;

- that because CSBG represents only a national average of 12% of a CAAs budget, that CAAs can survive without CSBG;

- and, that 40% of CSBG funds are used for administrative costs rather than direct services.

None of these statements is true. Yet, in the face of testimony and evidence which contradicts its information, the Administration continues to advocate for the elimination of the Community Services Block Grant.

I am here today to set the record straight on the Community Services Block Grant and to request continuation of funding to continue its important activities.

In terms of duplication of service, both the Social Services and the Community Services Block Grants have voluntary information collection systems which are funded by the Department of Health and Human Services and are participated in by most states. Each of these systems has issued reports on activities funded by the states and a comparison of the activities yields no duplication of services or programs.

The American Public Welfare Association has the HHS grant to collect and publish the data on the Social Services Block Grant. The last year for which they have compiled data is 1982, but we are assured that services have not changed much from that time. According to state reports, the five areas to which SSBG provides the greatest number of services are:

- 21.2% or almost one-fourth of all services provided under SSBG are protective services for children,

- 15.2% of SSBG services are homemaker services,

- 12.6% of SSBG services are day care for both children and adults,

- 10.6% of services are counseling services, and

- 7.4% are substitute care for both children and adults.

The remaining 33% of services according to the report:

> ...vary from state to state...but typically include such services as: family planning, services to unmarried parents, health-related services, day and outpatient treatment and training for special needs clients, in-home services to children and their families, shelter and crisis counseling, home and financial management, congregate and home-delivered meals for the elderly, youth related services, social adjustment/rehabilitation and chore services.

The purpose of the Community Services Block Grant is to address the causes and conditions of poverty by funding community-wide programs in the areas of employment, education, housing, better use of available income, emergency assistance, nutrition and linkages with other programs. Typical CSBG programs are rural transportation used by workers to get to jobs, the sick to medical care and to open opportunities for economic improvement for all the people in a low income community; economic development in forms ranging from solar greenhouses to business start up loans, to the production-for-profit of methane gas. The credit union in New Haven, Connecticut is an example of a program that addresses a better use of available income. CSBG supports homeless shelters and self-help housing construction and the list goes on. These are not Social Services Block Grant programs. There is no duplication, and the state administrators of the Social Services Block Grant are in agreement with that statement. A spokesman for the National Council of State Human Service Administrators has submitted testimony to the Congress the highlights of which are, and I quote:

> We disagree with the assertion that the CSBG duplicates other sources of federal funding including the SSBG.
>
> The contention that the SSBG could provide funds for CSBG, if funding the CSBG were eliminated, is patently ludicrous.
>
> Elimination of the CSBG would likely force an already overloaded system to the breaking point.

I am submitting a copy of that testimony for the record. I am also submitting a letter of endorsement from the National Association of Counties. The chief complaint we hear from the states, Mr. Chairman, is that there are not sufficient funds in either of these Block Grants to meet the needs.

The second charge that the Administration has made is that Community Action Agencies can continue to operate without CSBG funds. The Director of the Office of Community Services has testified before Congress that CAAs are good programs that help many people and that it is not the Administration's intention that they be shut down. The National Community Action Foundation has done a survey of the offices at the state level that administer CSBG. These state offices have reported that of the 873 Community Acqion Agencies, 535 or approximately 60% of the CAAs will close in the first year after the termination of CSBG.

In addition, when asked what the impact of the elimination of CSBG and this number of Community Action Agencies on the programs for the poor in their state, 36 states reported as follows:

| PROGRAMS | NUMBER OF STATES REPORTING TERMINATION OR SEVERE CUTBACKS WITHOUT CSBG | |
|---|---|---|
| Commodity Food Distribution | 19 | Most would be terminated. Many states report no capacity to provide this program without CSBG and/or CAAs. |
| Other Food Programs<br>Food Pantries, Garden and Greenhouse Projects, Elderly Feeding Programs, Meals on Wheels, WIC and others | 28 | Most would be terminated. |
| Transportation Programs<br>Often these are rural transportation systems in areas where there are no other transportation services | 17 | Most would be terminated. |
| Housing Services | 23 | Most terminated. |
| Employment Programs | 20 | Most terminated. |
| Education Programs | 10 | Most terminated. |
| Health Care Programs<br>Includes Alcohol and Drug Abuse Programs | 12 | Most terminated. |
| Emergency and Natural Disaster Assistance<br>Several states report that they either have no other funding than CSBG and/or no other agencies other than CAAs to take over emergency and natural disaster assistance | 12 | Most terminated. |
| Economic Development | 10 | Most terminated. |
| Outreach Services | 10 | Most terminated. |
| Consumer Education | 7 | Most terminated. |
| Head Start | 12 | Some terminated, most severely cut back. |
| LIHEAP | 17 | Most severely cut back. |
| Weatherization | 22 | Some terminated, most, severely cut back. |

Mr. Chairman, CAAs will close. CSBG is the money that generates the other programs. If you were to compare Community Action Agencies to a business, which is an entity that this Administration does seem to understand, then CSBG is the capital that supports central management, ensures fiscal accountability, which allows a CAA to do its own kind of marketing which in this case is outreach and public participation; and its own kind of feasibility study which is the community-wide assessment of poverty needs. It is also the money that supports the proposal writers, evaluators, volunteer coordinators and others that generated the hundreds of millions of dollars administered by the CAAs.

The need for this "capital" for CAAs was recognized by the Congress when it included it in the Economic Opportunity Act. It is recognized now by the individual state and is described in many state plans. I do not understand how the Administration can fail to recognize the need.

Another use of CSBG funds is to cover or supplement the administrative costs of other programs. This may be the area that the Administration most misunderstands. They quote the administrative allowances from federal laws and insist that CAAs can use those overhead monies for the overall CAA operation.

First, those programs do not allow their funds to be used for overall CAA management. Second, the Administration has apparently never checked to see what actual administrative allowances are granted to CAAs. In Connecticut, for instance, the statewide overhead provided to federal programs is as follows:

| | |
|---|---|
| Head Start | 4.3% |
| Weatherization | 3.3% |
| Summer Youth Employment | 2.3% |
| Elderly Nutrition Programs | 3.8% |
| LIHEAP | 2.6% |

Mr. Chairman, Community Action is an exciting, innovative and necessary program at the local level. It touches the lives of at least 80% of the poor in this country.

Community Action Agencies have the support of local and state governments, the people it serves and, fortunately, it has had your support Mr. Chairman. You deserve a lot of the credit for keeping this program on the domestic agenda while it is under attack from a hostile national administration.

I look forward to working with you and this committee so that one day the excitement that the states express and the impact of this program and the Community Action Agencies it funds is again universally recognized in Washington.

Thank you for your time and your support.

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### LETTER FROM MICHAEL R. PETIT, CHAIR, NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS AND COMMISSIONER, MAINE DEPARTMENT OF HUMAN SERVICES

May 1, 1985

The Honorable Dale E. Kildee
Chair
Subcommittee on Human Resources
Committee on Education and Labor
402 Canon House Office Building
Washington, D.C. 20515

Dear Mr. Kildee:

On behalf of the National Council of State Human Service Administrators (NCSHSA) I appreciate the opportunity to submit for the record testimony opposing the recent proposal to eliminate funding for the Community Services Block Grant (CSBG). The NCSHSA is composed of those public officials in the fifty states, the District of Columbia, and the territories charged with the responsibility for administering human service programs including the social services block grant (SSBG) and, in many states, the community services block grant (CSBG).

I would like to direct our comments specifically to the administration's contention that the CSBG should be eliminated because it duplicates other sources of federal funding, including the SSBG and that states could drop "low priority" SSBG activities to provide continued support for existing CSBG services.

We disagree with the assertion that the CSBG duplicates other sources of federal funding including the SSBG. When the CSBG and the SSBG were enacted in 1981, each was statutorily established with a different program purpose. The purpose of CSBG is to provide funds for community-based programs offering health, nutrition, housing, and employment-related services to improve the standard of living of low-income persons. The purpose of the SSBG is to provide funds to states to assist individuals to achieve and maintain self-sufficiency, to prevent unnecessary institutionalization, to protect children and vulnerable adults from abuse, neglect and exploitation, and to preserve, rehabilitate and reunite families. States and localities have utilized the two sources of funding to provide different, although admittedly in some cases complementary supportive services.

As you are probably aware, both the CSBG and the SSBG were enacted in large part to enable states to tailor their spending to meet their own locally established needs. This administration urged the block grant approach to reduce the federal control over local spending and to ensure that federal funds were spent to provide those services identified as critical at the local, not at the federal, level of government. Both the CSBG and the SSBG also are governed by statutorily mandated requirements for public input into the establishment of spending priorities. Under the CSBG, community action agencies also must conduct a needs assessment to determine how funds will be spent. The CSBG and the SSBG, in fact, do each meet locally determined needs and do not, as the administration contends, duplicate services provided by the other. The very mechanisms put in place to ensure that spending reflects local needs also ensures that there is no duplication of efforts.

In addition, states and localities today face serious resource limits in providing human services to meet the needs that exist. They are very cautious about expending what resources they have so as not to waste them on duplicate services. While there is always a need for better coordination in the complicated intergovernmental system, the recent history of federal cutbacks and depleted state budgets have made duplication virtually impossible in light of the needs that are going unmet.

The American Public Welfare Association, with funding from the Department of Health and Human Services, operates the Voluntary Cooperative Information System (VCIS), which collects information on how states spend SSBG funds. In its most recent report (July 1984), the VCIS project found that the largest single percentage of SSBG funds, 35.9%, went to day care and other out-of-home care for children and adults. Protective services for children and adults accounted for 13.2% of SSBG expenditures, homemaker services for 7.8%, and adoption services for 3.6%. Among the other types of services provided by SSBG funds were family planning, services to unmarried parents, counseling services, and treatment and training for special needs clients.

A recent survey conducted by the National Community Action Foundation revealed that the services funded by the CSBG in 1984 were of a very different type. Among the programs reported were credit union, gas production, garden seed purchase and distribution, commodities distribution, weatherization, and loan packaging. In addition, the CSBG provides funding for the management and administration of both CSBG and non-CSBG programs (such as Head Start).

The contention that the SSBG could provide funds for priority CSBG programs, if funding the CSBG were eliminated, is patently ludicrous. When the SSBG was created in 1981, Congress consolidated the existing Title XX programs (day care, social services and training) and reduced their funding by 20% from the $2.9 billion received in FY 1981 to $2.4 billion in FY 1982. Congress apparently believed that the increased flexibility of a block grant would result in large administrative savings. Because Title XX had always had features of a block grant (i.e. flexibility to develop a services system responsive to local needs) the administrative cost savings touted by block grant proponents did not materialize. The major impact of the SSBG felt by states was the 20% cut in funding.

States responded to the SSBG funding reduction in a number of ways. Rather than simply pass on pro rata reductions, most states choose to prioritize services and retain funding for the most important ones. The services identified as high priority were generally child and adult protective services as well as in-home services provided to those who would otherwise be institutionalized. Many states had to redefine or refine the social services they had been mandated to provide, thus reprioritizing within the already highest priority group of services. Unfortunately, in many cases the services which states were forced to cut were preventive ones. This was the only way they could retain adequate funding for the protective services which they are required by law to provide.

States also employed a number of approaches to improve the efficiency and effectiveness of their use of reduced SSBG funds such as changing eligibility requirements to target services to the most needy, expanding the use of fees for services, and increasing the use of volunteers. In short, the SSBG is a lean and targeted program.

Since FY 1982, the funding level for the SSBG has increased to its statutorily established ceiling of $2.7 billion, which is still $200 million below the FY 1981 level. Congress has in the past two years added earmarked funds to the SSBG to enable states to address special concerns, such as unemployment and child abuse, but the total funds available still fall short of the identified need for services. Elimination of the CSBG would likely force an already overloaded system to the breaking point.

We urge you to reject the proposal to eliminate the CSBG. Thank you in advance for your consideration of our views.

Sincerely,

Michael R Petit

Michael R. Petit, Chair
National Council of State Human Service
Administrators
and
Commissioner, Maine
Department of Human Services

### LETTER FROM MATTHEW B. COFFEY, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF COUNTIES

April 5, 1985

The Honorable Dale E. Kildee
Chairman
Subcommittee on Human Resources
Education and Labor Committee
2178 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Mr. Kildee:

On behalf of the National Association of Counties, I express our support for current level funding of the Community Services Block Grant (CSBG). This policy is consistent with our support for an overall freeze of the federal budget, with the exception of means tested entitlements. I have enclosed a copy of NACo's budget policy.

As outlined in the American County Platform, NACo recognizes that efficient community action agencies are valuable resources to county governments, particularly to isolated rural counties. We oppose the consolidation of CSBG into the Title XX Social Services Block Grant. Further consolidation of programs within the SSBG would not result in savings but would shift costs to county social services budgets in addition to those caused by possible further reductions in federal block grants.

The CSBG is essential for filling gaps in services and helping link services such as employment, housing, emergency assistance, and nutrition. Not only do programs funded by the CSBG assist counties in serving people below the poverty line, they also serve the working poor so that those people do not fall into a cycle of welfare dependency. Moreover, the program is truly a local program, with broad input from the recipients, and public and private sectors on which needs should be met with the CSBG.

In light of the federal deficit, NACo is not calling for new domestic program spending. We ask for your support for the continuation of the CSBG at the current fiscal 1985 level.

We look forward to working with you and your subcommittee during the year. Should you have questions about our position, please contact Tom Joseph, Legislative Representative.

Sincerely,

Matthew B. Coffey
Executive Director

Senator Weicker. David, I thank you very much, but I am obviously not satisfied with the result that was achieved in the Senate budget. I do believe in these community action programs and I would hope that we would see a different result come forth in the House budget, and then sit down in conference and achieve something that is meaningful.

These programs are good. They do directly touch upon the lives of people who normally would be totally forgotten by the various institutions that serve the rest of us. So I assure you that we will do everything we can.

Mr. Bradley. We are looking at current services in the House at least as of 10 after 9 this morning for 3 years.

The only other thing that I want you to be aware of is what Senator Hatfield negotiated with Mr. Stockman, and others, there is a tremendous discrepancy right now between what he felt we achieved and what the Domenici package is saying.

Senator Weicker. You have worked closely with the staff and you have worked well. I can assure you that in the course of the next several weeks now, we will continue to work and try to make sure that this program remains where it can be useful. There is no point in having a shell.

Mr. Bradley. We appreciate your help. Thank you very much.

## STATEMENT OF ROBERT PIECH, PEER COUNSELOR, NATIONAL EASTER SEAL SOCIETY OF DEL-MAR

## ACCOMPANIED BY SANDRA KOTHER, EXECUTIVE DIRECTOR, EASTER SEAL SOCIETY OF DEL-MAR

Senator Weicker. Next we have Mr. Robert Piech, peer counselor, National Easter Seal Society.

Mr. Piech. Good morning.

Senator Weicker. Good morning.

Mr. Piech. It is a pleasure for me to be here, to appear before you today, to present our views on independent living services for people with disabilities. I must say that it is quite an honor to be among such impressive presenters of testimony as well.

I am Robert Piech, a peer counselor at the Easter Seal Center for Adult Development at Wilmington, DE. With me today is Mrs. Sandra Kother, executive director of the Easter Seal Society of Del-Mar.

The Del-Mar Society serves people of all ages and all disabilities in Delaware and Maryland's Eastern Shore. Please accept my statement on behalf of the National Easter Seal Society and the Del-Mar chapter.

My remarks focus on services for independent living authorized by the Rehabilitation Act of 1973. Specifically, I wish to highlight part A, comprehensive independent living services, and part B, centers for independent living.

First, I would like to tell the subcommittee about myself and how I came to testify in support of independent living services. I was born and spent my early childhood in Wilmington. The majority of my school-age years were spent in special programs for disabled people. I received a bachelor's degree in psychology in 1979, and a master's degree in counseling in 1981.

I have spent the last 4 years in Delaware advocating on behalf of persons with disabilities. These activities culminated in my employment as a peer counselor. As such, I help other disabled individuals adjust to their disabilities and make the most of their abilities. This last phrase, "make the most of their abilities" is important to me. People have focused in my life on my abilities, not my disabilities. Independent living services offer means for disabled people with very specific needs to make the most of their abilities as well.

Easter Seals operates 15 formal living programs in 12 States. Some of these programs, including the Del-Mar Center, receive Federal support under the part B, centers for independent living program.

The Easter Seal Society of Del-Mar established this center in 1969; 4 years ago, the program was substantially expanded with part B funding to meet a broader range of client needs.

The Del-Mar independent living program serves 45 persons with severe disabilities daily. Our clients' disabilities include mental retardation, stroke, head and spinal cord injury, and cerebral palsy.

The independent living services provided by the Del-Mar Program enable severely disabled individuals to live more independently at home, in apartments, and in group residences. Without the benefit of these services, many of our clients would need to live in institutions, and the cost would triple. A number of our clients have developed skills which enable them to qualify for vocational rehabilitation services, and employment.

Federal support is essential for the ongoing development of independent living centers. Adequate resources are simply not available in the community to initiate and sustain these comprehensive programs. Continuation funding is necessary for existing independent living centers to maintain current services. We urge the subcommittee to recommend at least $23 million for part B independent living centers in fiscal year 1986.

Part B centers represent only one portion of the independent living program envisioned by Congress. The long-term effectiveness of these centers is, in some small way, dependent upon the implementation of comprehensive community-based independent living services. Services authorized under the part A program are also intended to enable individuals with severe disabilities to live more independently and perhaps engage in work activities.

We were encouraged last year when $5 million was allocated by Congress to initiate part A services. We are concerned, however, that none of these funds have been distributed to States to put this program in place.

Easter Seals strongly supports full Federal funding for part A and part B independent living services. The services authorized under part A complement those provided by part B centers. Together these programs form an integrated, cost-effective, far-reaching service system with tremendous potential for assisting people with severe disabilities to lead healthier more independent lives.

We urge the subcommittee to press for the immediate implementation of part A, comprehensive independent living services program. We recommend that the subcommittee set fiscal year 1986 funding for part A programs at $30 million, the amount proposed by the Consortium for Citizens with Developmental Disabilities.

On behalf of the National Easter Seal Society, the Easter Seal Society of Del-Mar, and myself, thank you for considering our views.

Senator WEICKER. Robert, thank you for making the effort to be with us. We appreciate it. Your statement in its entirety will be included in the record.

Mr. PIECH. Thank you.

[The statement follows:]

### STATEMENT OF ROBERT PIECH

Mr. Chairman and members of the Subcommittee, it is a pleasure for me to appear before you today to present our views on independent living services for people with disabilities.

I am Robert Piech, a peer counselor at the Easter Seal Center for Adult Development in Wilmington, Delaware. With me today is Mrs. Sandra Kother, Executive Director of the Easter Seal Society of Del-Mar. The Del-Mar Society serves people of all ages and all disabilities in Delaware and Maryland's Eastern Shore. Please accept my statement on behalf of the National Easter Seal Society and the Del-Mar chapter.

My remarks focus on services for independent living authorized by the Rehabilitation Act of 1973. Specifically, I wish to highlight Part A Comprehensive Independent Living Services and Part B Centers for Independent Living.

First, I would like to tell the Subcommittee about myself and how I came to testify in support of independent living services. I was born and spent my early childhood in Wilmington. The majority of my school-age years were spent in special programs for disabled people. I received a Bachelor's degree in psychology in 1979, and a Master's degree in counseling in 1981.

I have spent the last four years in Delaware advocating on behalf of persons with disabilities. These activities culminated in my employment as a peer counselor. As such, I help other disabled individuals learn to adjust to their disabilities and make the most of their abilities. This last phrase "make the most of their abilities" is important to me. People have focused on my abilities, not my disabilities. Independent living services offer a means for disabled people with very specific needs to make the most of their abilities as well.

Easter Seals operates fifteen formal independent living programs in twelve states. Some of these programs, including the Del-Mar center, receive federal support under the Part B Centers for Independent Living program.

The Easter Seal Society of Del-Mar established this center in 1969. Four years ago, the program was substantially expanded with Part B funding to meet a broader range of client needs.

The Del-Mar independent living program serves 45 persons with severe disabilities daily. Our clients' disabilities include mental retardation, stroke, head and spinal cord injury, and cerebral palsy.

The independent living services provided by the Del-Mar program enable severely disabled individuals to live more independently at home, in apartments and group residences. Without the benifit of these services, many of our clients would need to live in institutions and the costs would triple. A number of our clients have developed skills which have enabled them to qualify for vocational rehabilitation services and employment.

Federal support is essential for the ongoing development of independent living centers. Adequate resources are simply not available in the community to initiate and sustain these comprehensive programs. Continuation funding is necessary for existing independent living centers to maintain current services. We urge the Subcommittee to recommend at least $23 million for Part B Independent Living Centers in fiscal year 1986.

Part B centers represent only one portion of the independent living program envisioned by Congress. The long-term effectiveness of these centers is, in no small way, dependent upon the implementation of comprehensive community-based independent living services. Services authorized under the Part A program, are also intended to enable individuals with severe disabilities to live more independently and perhaps engage in work activities. We were encouraged last year when $5 million was allocated by Congress to initiate Part A services. We are concerned, however, that none of these funds have been distributed to states to put this program in place.

Easter Seals strongly supports full federal funding for Part A and Part B independent living services. The services authorized under Part A complement those provided by Part B centers. Together, these programs form an integrated, cost-effective, far-reaching service system with tremendous potential for assisting people with severe disabilities to lead healthier, more independent lives.

We urge the Subcommittee to press for the immediate implementation of the Part A Comprehensive Independent Living Services program. We recommend that the Subcommittee set fiscal year 1986 funding for the Part A program at $30 million, the amount proposed by the Consortium for Citizens with Developmental Disabilities.

The National Society is supportive of all programs serving people with disabilities. Easter Seals has a dual role in the disability community, as both an advocate for persons with disabilities and a provider of rehabilitation services. Easter Seal affiliates provide a wide range of rehabilitation services, including medical, vocational, educational, recreational and social services. Last year, Easter Seals served over a million people nation wide.

We are very concerned that programs serving people with disabilities receive adequate funding. Direct disability services provided through state grant programs under the Rehabilitation Act, Education for the Handicapped Act and Developmental Disabilities Act and the Title XX and Maternal and Child Health Block Grants form the core of needed services for individuals with disabilities. We urge the Subcommittee to support full funding for these programs in fiscal year 1986.

Additionally, Easter Seals is concerned that adequate funding be provided to research programs affecting people with disabilities. Federal support for the National Institutes of Health represents a unique longterm investment in the nation's health. Extensive research is needed to eliminate the causes of disability and make more effective the treatment of disabling conditions. To this end, the Easter Seal Research Foundation awards grants to support research which is helpful to persons of any age in managing their disabilities. Since its founding in the mid-1950's, the Foundation has awarded some 650 grants to universities, hospitals and community organizations. However, despite private sector research efforts by groups like Easter Seals, the primary responsibility for health research lies with the federal government. We believe that comprehensive research is vitally important to persons with disabilities and that any erosion of federal spending in this area now, will have a devastating effect in the future.

The National Society is also concerned about the limited federal support available for training rehabilitation professionals. Easter Seal Societies across the country report chronic shortages of rehabilitation personnel, including physical therapists, occupational therapists and speech-language pathalogists. High turnover among rehabilitation staff divert scarce resources to ongoing hiring and orientation activities. More importantly, the lack of trained professionals has meant that many people with disabilities have to delay or even forego needed treatment. We urge the Subcommittee to recommend full funding for personnel development programs authorized under the Rehabilitation Act and the Education for the Handicapped Act in order to increase training opportunities for professionals in the field of rehabilitation.

Lastly, the National Society urges the Subcommittee to allocate at least $2.2 million for the Special Recreation program authorized under the Rehabilitation Act. This unique program provides seed-money for innovative recreation projects and activities serving people with disabilities. Approximately 82,000 disabled individuals have benefited from these special recreation services since the program was founded in 1981. We believe that this program offers the quickest and most cost-effective way to make recreation opportunities accessible to persons with disabilities.

As a member of the Consortium for Citizens with Developmental Disabilities (CCDD), the National Easter Seal Society actively endorses the FY '86 budget recommendations of the CCDD Task Force on Budget and Appropriations. We urge the Subcommittee to adopt .he CCDD recommended funding amounts for fiscal year 1986 for programs serving people with disabilities.

On behalf of the National Easter Seal Society, the Easter Seal Society of Del-Mar, and myself, thank you for considering our views.

## STATEMENT OF ROBERT R. DAVILA, M.D., PRESIDENT-ELECT, THE CONFERENCE OF EDUCATIONAL ADMINISTRATORS SERVING THE DEAF

Senator WEICKER. The next witness is Dr. Robert Davila, president, the president-elect of the Conference of Educational Administrators Serving the Deaf.

Dr. DAVILA. Mr. Chairman, the Conference of Educational Administrators Serving the Deaf is an organization of schools and programs which provide educational services to deaf persons. Among its member organization are a number of State operated schools and programs that are recipients of chapter I funds.

CEASD has been active since 1969 in assisting in the field of education of the deaf to identify and provide quality educational services. The conference is active in developing, administering standards for services related to education of the deaf. We appreciate this opportunity to discuss our concerns regarding appropriation for programs authorized under chapter I, ECIA. Our statement is restricted to the program as it relates to services which benefit deaf students.

Mr. Chairman, we urge you and your committee to support nothing less than a 5-percent increase in funding level, or at least $157.67 million. We urge that the goal should be appropriate support for both Public Law 94–142 and chapter I, ECIA.

The administration has used, in part, an equity argument for reducing funds to the chapter I program, an argument that funding should be more like the level of funding under Public Law 94–142. Our belief is that the original intent of the Public Law 89–313 authorization, which is antecedent to the chapter I authorization, was to provide equity for students in State operated programs when compared to the services to the disadvantaged under the title I ESEA program.

It would appear that the Congress did not conceive of the program in relation to Public Law 94–142, and that it would not be appropriate to do so now. The equity argument, if comparing the chapter I and Public Law 94–142 programs, does not appropriately take into account what may be systematic differences in populations served.

If programs for the deaf are considered, there are a variety of population differences which may warrant a disproportionate allocation of resources to State operated programs:

The student population of center schools are increasingly composed of multihandicapped students;

The students' average age has rapidly increased as shifts in the population age distribution between State operated and local education agency programs;

The degree of handicap of the students in State operated programs may be relatively more severe than those students served in local programs;

To an increasing extent, the State operated programs are becoming referral programs for students who cannot be served adequately by the local programs, older, more severely handicapped.

Our organization is strongly supportive of the goals of Public Law 94-142 which include the promotion of a full range of educational service delivery options within which the State operated programs, most of which are center and/or residential schools, play an important role. These programs tend to represent appropriate placement options for a substantial proportion of deaf students who cannot be served adequately by local programs. Continuity of chapter I support can assist these schools to better serve these students.

Mr. Chairman, we would like to have the committee aware of the following:

First, important services are delivered to deaf students and their parents through the chapter I program.

Second, in education of the deaf, chapter I, Public Law 89-313, funding has been an important source of change and improvement.

Third, if appropriation levels do not keep up with inflation, it will have a significant impact on the lives of numerous deaf children and their parents.

Our members identified a number, including the following examples: inservice training program; parent education programs; multihandicapped services programs; computer assisted instruction programs; perceptual motor diagnostic programs; dormitory teacher programs; horticulture programs; orientation and mobility training; and psychological services programs.

Mr. Chairman, again we thank you and your committee for this opportunity to communicate our concerns and our perception of the needs of many deaf students as they relate to the chapter I, ECIA. Again, we urge your support of at least $157.67 million as an appropriate and needed appropriation level for the chapter I program for the handicapped.

### PREPARED STATEMENT

Senator WEICKER. Dr. Davila, thank you very much for your testimony. We greatly appreciate it.

[The statement follows:]

### STATEMENT OF DR. ROBERT DAVILA

The Conference of Educational Administrators Serving the Deaf [CEASD] is an organization of schools and programs which provide educational services to deaf persons. Among its member organizations are a number of State operated schools/programs that are recipients of chapter I (Education Consolidation and Improvement Act, 1981) funds. The CEASD has been active since 1869 in assisting the field of education of the deaf to identify and provide quality educational service. The conference is active in developing and administering standards for services related to education of the deaf. We appreciate this opportunity to discuss our concerns regarding appropriations for programs authorized under chapter I, ECIA. Our statement is restricted to the program as it relates to services which benefit deaf students.

Mr. Chairman, we urge you and your committee to support nothing less than a 5-percent increased funding level of at least $157.67 million. We urge that the goal should be appropriate support for both Public Law 94-142 and chapter I, ECIA.

The administration has used, in part, an equity argument for reducing funds to the chapter I program; an argument that funding should be more like the level of funding under Public Law 94-142. Our belief is that the original intent of the Public Law 89-313 authorization, which is antecedent to the chapter I authorization, was to provide equity for students in State operated programs when compared to services to the disadvantaged under the title I ESEA program. It would appear that the Congress did not conceive of the program in relation to Public Law 94-142, and that it would not be appropriate to do so now. The equity argument, if comparing the chapter I and Public Law 94-142 programs, does not appropriately take into account what may be systematic differences in populations served. If programs for the deaf are considered, there are a variety of population differences which may warrant a disproportionate allocation of resources to State operated programs:

—The student population of center schools are increasingly composed of multihandicapped students.

—The students' average age has rapidly increased as there are shifts in population age distribution between State operated and local education agency programs.

—The degree of handicap of the students in State operated programs may be relatively more severe than those students served in local programs.

—To an increasing extent, the State operated programs are becoming referral programs for students who cannot be served adequately by the local programs (older, more severely handicapped, less successful students).

Our organization is strongly supportive of the goals of Public Law 94-142 which include the promotion of a full range of educational service delivery options within which the State operated programs, most of which are center and/or residential schools, play an important role. These programs tend to represent appropriate placement options for a substantial proportion of deaf students who cannot be served adequately by local programs. Continuity of chapter I support can assist these schools to better serve these students.

Mr. Chairman, we would like to have the committee aware of the following:

—Important services are delivered to deaf students and their parents through the chapter I program.

—In education of the deaf, chapter I (Public Law 89-313) funding has been an important source of change and improvement.

—If appropriations levels do not keep up with inflation, it will have significant impact on the lives of numerous deaf children and their parents.

Mr. Chairman, it is important to note that the Public Law 89-313 program has been responsible for significant innovation in programs (for the deaf). There are more than a few isolated examples of programs which were initiated under Public Law 89-313 and which were subsequently assimilated into programs at State expense. Our members identified a number including the following examples: In-service training program; parent education program; multihandicapped services program; computer assisted instruction program; perceptual motor diagnostic program; dormitory teacher program; horticulture program; orientation and mobility training; and psychological services program.

Mr. Chairman, we again thank you and your committee for this opportunity to communicate our concerns and our perception of the needs of many deaf students as they relate to the chapter I, ECIA, 1981. Again, we urge your support of at least $157.67 million as an appropriate and needed appropriations level for the chapter I program for the handicapped.

## STATEMENT OF GERILEE GUSTASON, PH.D., PRESIDENT, THE CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Senator **Weicker**. The Chair will now be taken over by Senator Harkin, and the next witness is Gerilee Gustason, president of the Convention of American Instructors of the Deaf.

Welcome.

Dr. **Gustason**. Good morning.

My name is Gerilee Gustason. I have several hats on today. I would like to use my personal hat, for just one moment, with which to say thank you for the government services that we have had for the last 20 to 25 years.

When I received my doctorate, I was one of the first two deaf women that we know of in this country to receive their doctorate. I don't like being alone like that. We have a lot more people joining me now, and that is great. A great part of my college was helped by vocational rehabilitation services, I could not have done it without that.

I came along too late for the advantages that Public Law 94–142 and the Education for the Handicapped Act, but I am well aware of how important they are to the teachers of children in the field.

I am president of the American Conference of Instructors for the Deaf, and I represent more than 2,000 teachers of the hearing impaired in this country, and have opportunities to talk with teachers and parents throughout the country.

I would like to remind you, and I am sure you know, that deafness is a very low incidence handicap; 1 child in 1,000 is profoundly deaf, and 1 in 500 becomes deaf before the age of 18. If we are talking about milder hearing loss, 1 person in 15 has a measurable hearing impairment.

My concern is with kids who are profoundly deaf. The biggest problem most of them have is not hearing the language. Hearing children develop their language skills by the time they are 3 years old, and by the time they are 6, their language is very stable.

In contrast, deaf kids usually, born with hearing impairment, the parents are hearing and they know nothing about deafness. So most deaf children miss out on the human contact and communication during those first very critical language forming years.

Right now, more than 75,000 kids are being served, but the National Center for Health Statistics estimates that more than 1.2 million children have hearing impairment below the age of 18.

I would like to read one sentence written by a deaf student who didn't get early help and show you the English problem that we have. "The father and mother like with in get for to children. We drive food a city to the in for of Mexican." That is a 16-year-old who did not get enough help early enough.

Now the freeze that the Government proposes for funding would really be a cut in services to a population that needs them very badly. The Federal Government can supply 40 percent of the funds on a national average for per pupil costs. In the early 1980's, it was almost 13 percent, and now it is about 8 percent, and the freeze will mean 7 percent for a group that is helped by early intervention.

Thank you for the opportunity to speak to you.

### PREPARED STATEMENT

Senator HARKIN [presiding]. Thank you. We will include your statement in the record at this point.

[The statement follows:]

## STATEMENT OF GERILEE GUSTASON

This written testimony is submitted by Dr. Gerilee Gustason, President of the Convention of American Instructors of the Deaf. Dr. Gustason herself has been deaf since early childhood. She holds a BA in English from the University of California at Riverside, three masters degrees (in Education of the Deaf, English, and Administration and Supervision from Gallaudet College, the University of Maryland, and California State University Northridge, respectively), and a Ph.D. in Education from the University of Southern California. She has taught in day and residential programs for the deaf, and is currently a Professor in the teacher preparation program at Gallaudet College.

The Convention of American Instructors of the Deaf is an individual membership organization representing approximately 2000 teachers of the hearing impaired in the United States. It was founded in 1858 and incorporated by Act of Congress in 1898, and operates almost exclusively on the dues of its members. Since 1850 the CAID has been instrumental in publishing the journal, the American Annals of the Deaf, said to be the oldest continuously published educational journal in the United States.

The purpose of this written testimony is to clarify the importance of adequate funding for the Education of the Handicapped Act and the Rehabilitation Act of 1973, as amended, in the lives of hearing impaired children.

HOW MANY HEARING IMPAIRED CHILDREN ARE THERE?

The incidence rate for deafness is low. One child in one thousand is born deaf. Others sustain a hearing loss during childhood; one person in 500 is deaf before the age of 18 years. The milder the hearing loss, the more frequently it is found; one person in fifteen has a measurable hearing loss. Persons with mild losses may not need special services. Moderate losses, however, can impair a child's ability to function effectively in school and children with such losses definitely need services.

As the population grows, so does the number of hearing impaired children. The United States Department of Education estimates that 75,000 hearing impaired students are receiving special services in schools today. In contrast, the 1982 report of the National Center for Health Statistics estimates there are 1,233,000 persons under the age of 18 with hearing impairments. While not all of these persons may need special help, the educational cost to those who need services and do not receive them adequately can be staggering. In a national survey of the hearing impaired population reported in 1984, the Center for Assessment and Demographic Studies at Gallaudet College reported an average reading level of third grade for the highest age level of hearing impaired students.

The baby boomlet of the late 1970s which is now beginning to hit the nation's public elementary schools means a corresponding increase in the number of hearing impaired students needing services. The freeze proposed by the administration in funds for such services under PL 94-142, in contrast, would actually mean a cut due to inflation, and estimates of the number of persons receiving services indicate a number 57,000 to 85,000 FEWER.

## WHY DON'T WE SEE A DECREASE IN HEARING IMPAIRMENTS DUE TO MEDICINE AND TECHNOLOGY?

Progress in medicine and technology is definitely being made. Hearing aids, for instance, are vastly improved over those available a decade ago. With many hearing losses, however, what one hears is full of holes, and while a hearing aid can amplify sound it cannot plug those holes. Cochlear implants are still very few, and while they can provide an awareness of sound it is nothing like the sound a hearing person hears and there is usually little or no ability to discriminate speech sounds. Medicine has reduced or eradicated some causes of hearing loss, such as measles, mumps, or scarlet fever, but new causes have appeared on the scene such as drug or alcohol abuse by the expectant mother. One of the most frequent causes of acquired deafness in newborns today is CMV or cytomegalo virus, a form of herpes. In addition, well over half of the incidents of deafness are due to genetic causes; most of these are recessive, meaning that deaf children are born to hearing parents who had no contact with deaf persons and no knowledge of deafness in the family tree. Over 90 percent of the parents of deaf children are hearing, and the presence of a deaf child is a totally unexpected event in their lives. These parents usually have no idea how to communicate with or relate to their deaf infant.

Because a virus that attacks the fetus and causes deafness is not discriminatory, there can be additional damage, and roughly one third of our deaf students have additional handicaps: vision impairment, motor impairment, and the like. At the same time, deaf persons have the same distribution of intelligence as hearing persons. Most teachers who train to work with hearing impaired children have not been equipped to deal with additional handicaps, and the number of programs challenging our gifted hearing impaired students is very, very small.

GIVEN THESE FACTS, IS MAINSTREAMING WORKING FOR HEARING IMPAIRED CHILDREN?

Every student is unique and has different needs, so it is impossible to specify ONE type of program that is appropriate for EVERY student. In general, when mainstreaming is done well, it works very well. When it is done poorly, it is disastrous. Poor mainstreaming compounds the problems of the handicap. It is vital that appropriate services be provided, both to the child and to the parents---and to the regular educators who were not trained in deafness. Without such services, what many perceive as the "least restrictive environment" of the local public school can in fact be the most restrictive environment, shutting the child off from social contact and from education. While some states attempt to meet the needs of mainstreaming by providing state consultants for the local school districts, many of these consultants are expected to provide information on all types of handicaps and often are not themselves familiar with the unique needs of hearing impaired students.

WHAT ARE THESE UNIQUE NEEDS? WHY ARE DEAF STUDENTS SPECIAL?

It is a temptation for the layman to look on a successful deaf adult as a person who can do anything but hear, and to assume that the same is true of deaf children. Often overlooked are the difficulties inherent in arriving at that point of success.

There are two very important types of difficulties. One is the most obvious impairment in social contacts. The deaf person is cut off from quick and easy communication with the hearing persons around. Besides the resulting loneliness in a hearing environment, there is the restricted ability to learn what people say in different situations and how various situations are handled. Cut off from free and easy communication, the deaf youngster must learn ways to cope. Most important of all, however, can be the isolation that results when the deaf child is cut off from free and easy communiction with his family...and his family with him. When the parents cannot communicate freely with their child, how are they to explain to the two or three year old that all the furniture has been moved out of the living room because new furniture has been purchased and is being delivered? Do they even know why the child looks frightened and begins to cry when he sees the empty room?

It must be remembered, also, that the basic handicap of deafness educationally is a LANGUAGE handicap. A child born deaf does not have the auditory input that provides the base for normal language learning. We now know from research studies the great importance of the early years in language learning, especially the years up to the age of three. Normally, hearing children develop a basic command of the spoken language by age three and have stable language by age six. While language continues to grow and develop past that age, the major area of growth is in vocabulary, not in language structure. In contrast, deaf students are notoriously weak in the structure of English. Perhaps the best illustration of this difficulty is with a sample of the English written by a 16 year old deaf student:

The father and mother like with in get for to children. We drive food a city to the in for of Mexican.

Very few of the regular teachers in our nation's public schools would know how to approach such a language problem---especially if they had a typical class of normally hearing students to teach at the same time. Yet such students CAN learn. Without training, would you know how to begin teaching English to such a student, especially one who cannot hear what is said? Half the sounds of English look like some other sound on the lips, making learning English through speechreading extremely difficult. The regular classroom teacher, in addition, must cope with a full class of normally hearing students. Obviously some special help is needed.

In addition, it is important to remember that when we speak of 30% of the hearing impaired students having additional handicaps, we do not mean they are incapable of learning. A student who is severely hearing impaired, legally blind, and has mild cerebral palsy, for instance, can both learn and function effectively. One such student at age 16, as an example, was reading above the eleventh grade level.

But these students cannot do it without help. Besides specially trained teachers, they need educational interpreters and tutors who can work with them in the public school setting. They need counselors who understand the social and psychological problems unique to the hearing impaired as well as those typical of all children. They need specialized work with speech and what hearing they have. With such help mainstreaming can work well, especially when the teacher gives special orientation to everyone involved. Without it, the deaf student often sits in the class understanding little if anything, watching but not comprehending or participating in the interaction of his classmates. Too often the result is a wasted mind and an unhappy person.

For the utmost benefit to all, however, intervention must occur much earlier than elementary school. Since over 90% of the parents of deaf children are hearing, help is needed to enable the parents to cope with the unexpected fact of hearing loss, and to establish communication and the ability to relate to their infant. One mother, a nurse, tells the story of her pediatrician's diagnosis of her son's deafness as an infant. The doctor informed the mother that her baby could not hear, that he would probably never learn to talk, she should prepare to send him away to school at age three, and she should have another baby if she wanted children at home. She left the doctor's office, she said, broken-hearted and wondering what kind of child she had.

Presently there are very few programs in the country training persons to work with parents and hearing impaired infants. Parents need this help, and they need access to information on the options open to them and to their child. Many parents search for a cure and waste valuable learning years.

## CAN SUCH SERVICES REALLY SUCCEED? CAN DEAF CHILDREN LEARN?

Definitely! Today we have more deaf professionals than we have ever had before. There are deaf doctors, dentists, lawyers, accountants, teachers, administrators, businessmen, actors and actresses, chemists, computer programmers, and the like.

## SPECIFICALLY, WHAT SERVICES ARE NEEDED?

Besides parent educators, we need trained teachers and educational interpreters. Far too many children are "mainstreamed" with no services whatsoever, or only minimal services. A 1979 report published in the American Annals of the Deaf indicated that 1/3 of the children were mainstreamed, with no interpreters provided for 67% of the programs at the elementary level and 59% of the programs at the secondary level. Today 48% of the hearing impaired students in special programs are mainstreamed. A 1983 study of interpreter training programs indicated that 1/3 of their graduates went to work in public elementary and secondary schools, but since the total number of graduates is only about 600 per year, this means 200 interpreters per year entering employment to serve approximately 37,000 hearing impaired students. In addition, the interpreter training programs have been focusing on the needs of services for the adult deaf, and have not yet addressed the problem of specialized needs of interpreting for children---knowledge of child development (is he behaving that way because he's deaf or because he's seven?), tutoring skills, teacher aiding skills, etc. Only 28% of hearing impaired students now attend public residential schools with specialized services and facilities. The remaining 24% are in day schools or day classes with special services. When a teacher of the hearing impaired is provided, in many cases he or she is the only such teacher in a school and without knowledgable supervision or support. These individuals must be well trained if they are to carry on alone.

## WHAT IS RECOMMENDED?

Numbers are increasing not merely because of population growth but because of the need to serve students with less severe hearing losses than total deafness. While needs have been mounting, however, the Federal government's role has steadily declined. The 1984 Republican platform included this comment on such programs for handicapped individuals as PL 94-142: "We will work toward providing federal funds to state and local governments sufficient to meet the degree of fiscal participation promised in law." Under that law, the Federal government can contribute up to 40% of the national average per pupil expenditure for the costs of education of the handicapped. In actuality, the

Federal share has declined from almost 13% before 1980 to approximately 8% today. The freeze proposed by the administration would reduce this to approximately 7%. The freeze would effectively serve 21,000 FEWER children while we are expecting MORE children and providing inadequate services for many. The National Education Association notes that the decrease in federal support of the public schools (now at the lowest level in 20 years) is resulting in larger classes, reduced services, and higher age eligibility requirements---and the number of public school teachers is declining. Services for the handicapped are often neglected in such a situation. The raising of age eligibility requirements means parents and children are not receiving services during the important language learning years so vital for hearing impaired children.

Accordingly, we would like to strongly urge that funding for handicapped children be restored at least to the 12% level for the coming fiscal year.

In addition, the provision of rehabilitation services is of great importance to students deafened by the rubella bulge of the '60s. These students are now leaving secondary schools, many with a great need for transitional services to the world of work. Rubella-deafened individuals often have additional handicaps and need special assistance to become self-supporting, but can do so with adequate assistance. Currently rehabilitation programs overall serve only one in 20 persons eligible for such assistance, and a freeze which makes no allowance for inflation would in fact be a cut forcing up to 85,000 FEWER individuals to be served. The investment is a good one, since $10.80 is eventually returned in taxes for every dollar spent, and the cost of rehabilitation is usually repaid in taxes within a four year period. The eventual cost of failure to provide assistance is continuing support of potentially self supporting individuals.

Accordingly, it is strongly recommended that Congress appropriate the full amount authorized for programs under the Rehabilitation Act, or 1.203.2 million.

Senator HARKIN. Tell me again what happens to small kids, preschool kids, in terms of the kind of assistance that they can get, what national programs is there?

Ms. GUSTASON. National programs, there are not many. The problem is that although about 38 States have mandated services for kids from zero to 5, the focus is more on 3 to 5 year olds, and there is very little available for zero to 3.

For example, in Los Angeles, CA, many parents are looking for programs for their babies, but the school districts don't have the money or funds to support a program like that, so they are refusing to serve the kids until at least the age of 3, and they have lost some very important language learning years already.

Many of the schools for the deaf do have preschool programs, but when you send a kid to those programs, you are taking them away from the family at a very, very young age. At times, we find that the biggest contributor to success is family involvement. So it is a very complicated and complex problem.

Senator HARKIN. What would be the largest impact of the freeze that is being proposed? What group would be affected the most?

Ms. GUSTASON. I would imagine the babies. The National Education Association says that the Federal support of local public schools is at its lowest level in 20 years, and that means the bigger classes, fewer services, and higher age requirements for eligibility, and that leads up to the cuts in services to the very young children.

In 1979, we found that about one-third of the kids were being mainstreamed, one-half or more than one-half without interpreters whatsoever. Now it is 48 percent that are being mainstreamed, and not one program in the country exists yet that concentrates on the training of interpreters for the children in the schools.

When mainstreaming works, it works beautifully. When we have parent involvement, school involvement, it is great. But we need parent educators, and we need interpreters. We are really paying for it when we don't get that early intervention.

Senator HARKIN. One of the problems that I have known over the years in my own family is that there has not been a coordinated effort on the national scene to deal with the special problems of the deaf. It has been very hit or miss. I have often called it the forgotten handicap because when you see deaf people, like my brother, in their work place or anywhere else, you would never know that they suffer from any kind of a handicap whatsoever until you finally try to talk to them.

Ms. GUSTASON. That is right.

Senator HARKIN. I think the deaf have really been a forgotten group in this country because there is no outward manifestation of that inability until you try to communicate with them.

What I am interested in doing, from my position, is to try to really get a coordinated effort, from preschool right up through graduate school, postsecondary school, in the education services, outreach programs, parent/teacher groupings to get the parents involved in it, and also to increase the research money to find out what causes deafness and what can be done about it.

In the cochlear implant, we have zero money, zero. There is some private money involved, but not any public moneys at all.

I am saying that we need to get a nationally coordinated effort for all of these programs to address one special handicap that so many Americans have, and we have not done it yet. I would like to work with you on this

Ms. GUSTASON. I will be more than happy to.

Senator HARKIN. Thank you very much.

## STATEMENT OF GERALD BUSH, PH.D., PRESIDENT-ELECT, NATIONAL HEAD INJURY FOUNDATION

ACCOMPANIED BY:

MARILYN PRICE SPIVACK, FOUNDER, EXECUTIVE DIRECTOR
ALICE DEMICKELES, MEMBER

Senator HARKIN. Our next witness is Dr. Gerald Bush, president-elect of the National Head Injury Foundation.

Mr. BUSH. Mr. Chairman, from the perspective of the National Head Injury Foundation, the question before us today is how long will America spend literally millions of taxpayer subsidized dollars for emergency and acute care to save the lives of tens of thousands of traumatic brain injured persons only to have utilization review and grossly uninformed DRG criteria discharge them too early, still in coma, and terribly disabled to literally an abyss of grossly inadequate and totally uncoordinated downstream coma stimulation, rehabilitation, vocational guidance, and community reentry systems.

My name is Dr. George W. Bush. I am a member of the senior management faculty at the Hellard Graduate School of Brandeis University. I am president-elect, for 1 more week, of the 5-year old National Head Injury Foundation. Today I am here representing our 23 State associations, our 6 State affiliates, our 315 local chapters, and our more than 10,000 members, all created in 5 years.

Perhaps more important, my wife Jean and I are the parents of four sons, one of them, Patrick, was traumatically brain injured on July 19, 1980, and is now a resident of the Greenery Skilled Nursing Center in Boston, MA.

With me is Mrs. Marilyn Price Spivack who, I think you probably know, is the founder and a member of the board of director, and executive director of the National Head Injury Foundation Marilyn is also the mother of Debbie, the victim of traumatic brain injury in 1975.

We thank you very much for this brief moment to discuss the need for Federal policy and program coordination aimed specifically at the No. 1 cause of death and disability for Americans under the age of 25 which will affect this year some 50,000 to 70,000 persons in this country, severe, traumatic brain injury.

We believe a part of the answer to my question about how long is Governmentwide recognition at the Federal level of this tragic epidemic, coordinated Federal policy and aggressive Government support which will add restoration of productive quality to the mere survival for the traumatically brain injured.

Senator, we thank this committee for the steps that its chairman and you took last year when in conference you included language in S. 2836 requiring RSA and related agencies to report to you regarding present activities and future planning for the traumatically brain injured. You asked those administrative agencies to consider establishing a category of disability specifically for traumatic brain injury. As a result of your initiative, at noon today, while the haggling goes on, I report, we will sign a cooperative agreement with those agencies. We thank you, you guys do good work.

Now we ask you to adequately fund RSA so that that agreement may be implemented. We ask you now to require those agencies to create a specific category of disability for the traumatically brain injured. This category is essential so that our loved ones no longer fall between the cracks because of the absence of eligibility criteria.

As you know, we have appealed to the Social Security Administration and HCFA. We have no response to share with you today. We now ask you to ask HCFA and the Social Security Adninistration why this obvious epidemic is allowed to go on unacknowledged, unspecified, and largely ignored by them.

We ask you to use your influence to create an interagency committee of HHS and Education to meet with us to work out the specifics of a sensible program.

In summary, we are here today as concerned citizens asking not for huge sums, but to use your energy, talent and power, your clout, if you will, to get tens of thousands of traumatically brain injured persons a reason for hope and a chance for dignity.

I thank you, Marilyn thanks you, Patrick and Debbie thank you, and tens of thousands of persons will definitely thank you.

## PREPARED STATEMENTS

Senator HARKIN. Thank you very much for your testimony. We will place your entire statement in the record at this point, along with other statements submitted for the record on appropriations for rehabilitation services.

[The statements follow:]

## STATEMENT OF GERALD BUSH

The National Head Injury Foundation, Inc. (NHIF) is an organization of 23 State Associations, 315 chapters and 10,000 members providing support, information, education and advocacy for individuals suffering brain damage after head injuries. We will not review in detail the scope of this epidemic today. However, to put the problem in perspective, we remind the Committee that head injuries account for 400-500,000 hospital admissions each year and of these, some 50,000 people are left with moderate to severe disability. Thousands more experience "minor" disabilities. The tragedy of traumatic brain injuries is multiplied by the fact that two thirds occur to people under age 35. In fact, head injury is the most common cause of death and neurologic disability in the young.

In 1984, both the House and Senate Committees inserted special language in their reports requesting the Departments of Education (DOE) and Health and Human Services (HHS) and the Rehabilitation Services Administration (RSA) to report back to Congress this year as to: 1) the current research and service delivery activities related to head injury being carried out by federal agencies. 2) the unmet needs in research and service delivery. 3) the most current techniques in acute care and rehabilitation of head injured persons. 4) plans for future directions of head injury research and service delivery.

In addition, Congress requested the report to address the issue of a specific category of disability for head injury and the utilization of that category by the relevant federal and state agencies.

It is the purpose of the NHIF testimony this year to comment on some of the issues outlined above and to review the negative impact that the decreases in funding proposed by the Administration will have on people suffering disability from traumatic brain injury. As an active member of a number of coalitions representing disabled people - the Consortium for Citizens with Developmental Disabilities (CCDD), the National Committee for Research (NCR), the National Rehabilitation Coalition (NRC) and the National Alliance for Rehabilitation Research (NARR), we wish to add our voice to those representing all disabled people asking that our country's disabled not be required to shoulder a disproportionate burden in the quest for deficit reduction.

REHABILITATION AFTER HEAD INJURY

The availability of "early" rehabilitation services after traumatic head injury has improved greatly over the past five years. The problem begins when the head injured person is discharged from the rehabilitation hospital to a community ill prepared to provide the long term services required for each individual to reach their full functional potential. Although such a comprehensive system does not exist, there are hopeful signs that the situation is changing. Through the efforts of the NHIF and its State Associations and because of the expression of concern from both the House and Senate Subcommittees in 1984 there is an awareness of the problem which did not exist two years ago. As an example of this, a cooperative agreement between the NHIF, RSA, Department of Education, NIHR and the Council of State Administrators of Vocational Rehabilitation (CSAVR) and the National Association of State Directors of Special Education (NASDSE) is in the final stages of approval of all parties. This agreement signifies the recognition of the magnitude of the head injury problem and the commitment of the agencies to do everything they can within the mandates of their agencies and limits of their funding to provide effective programs at all levels. A number of states have begun to move on their own encouraged by the NHIF State Associations either through independent agency action and/or through legislation to address the needs of head injured people. They have taken it on themselves to provide funding, but it is abundantly clear that most states will be unable to implement new programs and those just started will be in jeopardy if the budget for Vocational Rehabilitation State Grants is frozen at $1.1 billion for FY 86 as the Administration proposes. We join with the CCDD in requesting $1.2 billion for this program.

SPECIAL DEMONSTRATION PROGRAMS - Since rehabilitation of head injured individuals is a relatively new field, Special Demonstration Programs under Section 311 of the Rehabilitation Act are essential to "expand and improve" rehabilitation services for this population. Under NHIF urging in 1984, traumatic head injury was included as a category under this program and two proposals were funded. Full funding of 14.6 million dollars is essential with the emphasis on funds going into projects aimed at developing new methods of providing rehabilitation services.

REHABILITATION TRAINING - In all rehabilitation, training of personnel is the most critical element in providing effective services to disabled people.

Nowhere is this more true than in the rehabilitation of head injured people whose special programmatic needs are only beginning to be appreciated. We must develop a skilled cadre of rehabilitationists who understand head injury. By reducing the FY 86 congressional authorization for rehabilitation training from $31 million to $15 million, the Administration will make it impossible for RSA to institute any new initiatives in this area. We urge the Committee to recommend full funding of $31 million and, if achieved, request that RSA set aside specific funds for training in head injury rehabilitation. RSA Region B with George Washington Research & Training Center sponsored an outstanding three-day training conference on TBI this past March for DVR personnel, vocational service providers and program administrators.

EDUCATION OF HEAD INJURED CHILDREN - P.L. 94-142

P.L. 94-142 is the backbone of special education programs for handicapped children. It is estimated that each year 18,000 children of school age suffer head injuries with moderate to severe disability. Clearly, most of these children will require special programs funded under P.L. 94-142. Many times trained personnel are not available within the local school district and the child must be transported to other programs or be placed in specialized residential schools. Even at present levels of funding, many states cannot meet the needs. Freezing the funding level at $1,135.1 million will have the effect of a decrease and stop any progress in this area. We agree with CCDD that an appropriation of $1,347.2 million will allow Departments of Special Education to meet their responsibilities towards disabled children.

SPECIAL EDUCATION PERSONNEL DEVELOPMENT

As with rehabilitation programs, special education programs require trained personnel. This is particularly true when teaching a head injured child whose disabilities do not fit neatly into categories most educators are accustomed to. We urge the Department of Education to set aside specific funds to train educators about head injured children. Clearly, that will not be possible if this budget is cut from $61 million to $50 million as the Administration proposes. We strongly support full authorization to $64.37 million.

DEVELOPMENTAL DISABILITIES

Since developmental disability includes individuals mentally handicapped prior to age 22, almost 50 percent of head injured persons may fall into this category. The state developmental disability (DD) programs if fully implemented would provide the types of services required by head injured young people who "fall between the cracks" of other agencies. Case management, advocacy, alternative living arrangements and employment-related opportunities are critical in the life-long management of individuals disabled by head injury. Funding for DD State Grant Programs was severely curtailed in 1981 and held back through 1984. We recommend a budget of $53.4 million for FY 86. Even at this level, the major burden will fall on the states for implementation.

Independent living services

Independent living centers have allowed 30,000 individuals with severe disability to achieve some level of independent living. Unfortunately, the programs have been specifically directed towards individuals with physical disability and thus most head injured people with cognitive and behavioral dysfunction have not been served. In 1985, part B centers were encouraged to expand their services to additional groups of disabled persons. The NHIF urges the RSA to encourage development of ILC's for head injured people with or without physical disability as eligible for the Independent Living Services programs. To do this will require, at the very least, the full 23 million dollars authorized. We also are in full support of the CCDD in urging the appropriation of 30 million dollars to continue the activation of Part A of Title VII of the Rehabilitation Act to provide for a comprehensive program of services for those individuals too severely handicapped to be eligible for current vocational rehabilitation services.

## RESEARCH

### National Institute of Handicapped Research (NIHR)

If progress is to be made in rehabilitating head injured individuals back to productive lives, it is essential that new and innovative approaches be developed. In the long run, dollars spent in careful research will be returned many fold. NIHR has funded four Research and Training Centers for head injury since 1983, but three of these are combined stroke units. Much more needs to be done. Because of limited funding, the investigator/initiated research program was able to fund only 15 percent of applications. Level funding at $39 million will not even allow this low number in FY 86. We advocate full funding to the FY 86 authorization level of $44 million.

National Institute of Neurological and Communicative Disorders and Stroke (NINCDS)

Ultimately, the prevention or limitation of brain damage after head injury by surgical, pharmacologic and as yet undreamed of techniques will result from basic biomedical research on the central nervous system. Now is the time, not to limit funding, but to expand support for NINCDS. In the face of this, the Office of Management and Budget reduced the total number of new and competing NIH grants from 6500 to 5000 approved by Congress. We urge the Committee to approve the NINCDS budget of $444.5 million for FY 86.

NATIONAL INSTITUTE OF MENTAL HEALTH (NIMH)

We have talked to NIMH director Dr. Shervert Frazier concerning the behavioral and psychosocial dysfunction suffered by many head injured individuals. The NHIF feels that research on the mechanisms causing these disabilities as well as therapeutic techniques and pharmacologic intervention leading to remediation are within the purview of NIMH. Dr. Frazier agreed, but the Institute is limited in undertaking new initiatives by the Administrations proposed budget cut. We support the CCDD recommendation of $252.8 million for research and $24 million for research training at the NIMH.

SOCIAL SECURITY DISABILITY INSURANCE (SSDI)

SUPPLEMENTAL SECURITY INCOME (SSI)

The entire social security system is critical to the survival of many seriously head injured people who will be disabled for life. We are apprehensive about the proposed closing of local area social security offices and decreasing of the numbers of trained personnel. It is difficult enough now for many head injured people, particularly those with minor/moderate injuries to prove "eligibility" because of the lack of training of social security personnel as to the nature of the neuropsychological disabilities characteristic of head trauma.

SPECIAL CATEGORY FOR TRAUMATIC BRAIN INJURY

Over the past year, much discussion on this subject has taken place between the NHIF and several agencies including the Department of Education, RSA, Health Care Financing Administration and the Social Security Administration. To date, no agency has listed Traumatic Brain Injury (TBI) or Head Injury as a separate category. Most importantly the new SSA listing of mental impairments does not single out head injury as a category. The NHIF is working with SSA, but no decision has been made. We feel that a categorical listing is essential if head injury programs whether research, service delivery or training receive adequate attention and funding. Further, recognition by SSA of "brain damage secondary to head injury" as a category will define the nature of the disability and help head injured people receive appropriate services.

Health Care Financing Administration

HCFA - (Medicaid - Medicare)

Currently, under the DRG systems, patients with TBI are often discharged from the acute care hospital prematurely without adequate rehabilitation. The patient often times is transferred to a rehabilitation hospital. Utilization Review Boards restrict treatment under rigid time frames relating to patients' physical disability - medical requirements. The need for cognitive therapy and behavior modification is not recognized as a critical therapy for a patient with a TBI. Therefore, it has become essential for the Health Care Financing Administration (HCFA) to not only recognize traumatic brain injury as a diagnostic category but also to to establish funding levels for therapeutic techniques as cognitive remediation, behavior modification and memory retraining

SUMMARY

1. Since the problems experienced by persons with traumatic brain injury impact so many agencies, the NHIF requests an interagency committee be established to delineate the needs and outline agency responsibility in the areas of research, training and service delivery.

2. The NHIF requests this committee to direct the agencies under the D.O.E. and to institute a specific disability category, "brain damage secondary to head injury," in order to establish clearly the nature of this disability and the appropriate services required.

3. The NHIF joins with the coalitions of other disability groups (CCDD, NCR, NRC, NARR) in asking this committee to recommend full funding for the agencies under the D.O.E. and H and HS as outlined in this testimony and that of the CCDD.

4. The NHIF requests this committee to instruct the D.O.E. and H.H.S. to specify traumatic brain injury as a priority area within their agencies.

## COMPARATIVE INCIDENCE AND PREVALENCE OF BRAIN DAMAGE FROM TRAUMA AND OTHER NEUROLOGIC DISABILITIES*

| DISORDER | INCIDENCE 100,000/YEAR | PREVALENCE PER 100,000 |
|---|---|---|
| Traumatic Brain Damage, Moderate To Severe | 20+ | 800 |
| Spinal Cord Injury | 3 | 50 |
| Multiple Sclerosis | 3 | 60 |
| Cerebral Palsy | 9 | 250 |
| Muscular Dystrophies (Hereditary) | 1.2 | 20 |

| DISORDER | INCIDENCE Per Year | PREVALENCE |
|---|---|---|
| Traumatic Brain Damage, Moderate To Severe | 44,000+ | 1,000,000 To 1,800,000 |
| Spinal Cord Injury | 6,750 | 112,500 |
| Multiple Sclerosis | 6,750 | 135.000 |
| Cerebral Palsy | 20,000 | 560,000 |
| Muscular Dystrophies (Hereditary) | 2,700 | 45,000 |

*Data from Kurtzke, J.F. Neurology 32:1207, 1982
+Data from Kraus et al, Amer J Epidemiol. 1984

## SEVERITY OF BRAIN INJURY IN PERSONS SURVIVING TRAUMATIC HEAD INJURY IN THE UNITED STATES*

| SEVERITY OF BRAIN DAMAGE | INCIDENCE 100,000/YEAR | NO. OF SURVIVORS PER YEAR |
|---|---|---|
| SEVERE | 6 | 13,500 |
| MODERATE | 14 | 30.500 |
| MILD | 131 | 294,750 |

*Based on San Diego Study by Kraus Et Al, Amer J Epidemiol, 1984

## STATEMENT OF THE MARCH OF DIMES BIRTH DEFECTS FOUNDATION

The March of Dimes Birth Defects Foundation is pleased to have this opportunity to comment on the funding levels for research conducted by the National Institutes of Health (NIH). The March of Dimes is deeply concerned about maintaining a strong national commitment to research regarding maternal and child health because of its efforts in the prevention of birth defects.

Prevention of birth defects has been the goal of the March of Dimes for more than a quarter century. After the conquest of polio in 1955, the March of Dimes turned its attention to the nation's single largest child health problem.

We understand that as part of a deficit reduction strategy, the Administration has directed NIH to reduce the number of research grants it planned to award in FY 1985 from 6500 to 5000. This will have a detrimental impact on the ability of NIH's National Institute of Child Health and Human Development (NICHD) to fund its approved grants as well as on the programs of NICHD's Center for Research for Mothers and Children (CRMC).

This proposed strategy would reduce the research investment being made through NICHD by approximately $14 million. The number of new and competing grants awarded in 1985 would be reduced from 550 to 421, a loss of 129 research projects. The impact of these cuts is particularly hard on CRMC-funded projects; 38 projects in the field of perinatalogy alone would go without funding.

The CRMC's work is designed to increase knowledge related to pregnancy and maternal well-being, to reduce infant mortality and ameliorate infant morbidity. These are issues of major interest to the March of Dimes.

In recent years CRMC's program work in birth defects has been expanded, as reflected in the work done by the Perinatal Emphasis Research Centers (PERCs) based in academic research facilities around the country. Researchers at these centers are investigating pregnancy complications related to diabetes, perinatal complications, low birthweight, hypoxia and smoking, and other issues of great importance to mothers and children. This important research, as well as any plans to expand that research, will be compromised by proposed efforts to curtail NIH research funding.

The battle against birth defects requires scientific inquiry into a multitude of potential causes, treatments, and preventive measures. In these efforts, the work of the March of Dimes and NICHD dovetail and so are not only complementary but beneficial to both. Any reductions in the research funding of NIH and NICHD certainly would have a negative impact upon that partnership.

The March of Dimes research initiatives include:

- basic research to lay the groundwork for new preventions, treatments and cures;
- clinical research to learn what can be done to prevent or treat birth defects;
- social and behavioral research to support studies of medical, psychological, social, and familial factors that affect the development of children who have birth defects;
- research on reproductive hazards in the workplace; and,
- Basil O'Connor Starter Research Grants to allow promising young scientists to conduct independent research into original and exciting ideas concerning birth defects.

Prevention strategies before birth save countless thousands of babies from being born sick, damaged, or dead. Such primary prevention is cost-effective as well as humanitarian. Each time we free a lifetime from disability, we are also eliminating treatment costs and hours of lost productivity.

At issue is our nation's commitment to the well-being of its future generations. That is why the March of Dimes is urging you, as members of the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education, to do everything you can to ensure that adequate funds are appropriated by Congress to fund these important research programs at NIH.

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## STATEMENT OF THE NAVAJO NATION

Prior to 1982, the Navajo Tribe's disabled population were largely underserved by the State and Federal programs for various reasons: lack of legal clarity on jurisdictional responsibility, geographical distance, and the cultural and social barriers. With the advent of P.L. 95-502 in 1982, the Navajo Tribe undertook the responsibility for the development of needed services for its disabled population. This legislation made possible a cross-governmental effort between the Navajo Tribe and the surrounding states of Arizona, New Mexico, and Utah and has resulted in more coordinated services to approximately 500 clients now served.

The Navajo Vocational Rehabilitation Program (NVRP) is the only Indian project funded nationally under section 130 of P.L. 95-602. Although NVRP has been in operation since 1975, it was not until 1982 that it had access the P.L. 95-502 funds for its program operation. NVRP has received annual grants ranging from $650,000 to $715,000 during the last 3 years. With these funds, the NVRP staff of 23 people have made remarkable progress in instilling a greater awareness and sensitivity to the needs of the disabled as well as in the development of appropriate services.

The overall success of NVRP's services is most evident by its program statistics on the number clients rehabilitated and making the successful "transition" into a work setting.

| Year | Clients Transitioned Into Employment |
|---|---|
| 1982 | 26 |
| 1983 | 46 |
| 1984 | 65 |
| 1985 | 60 |
| | TOTAL 197 |

Overall, NVRP's program success rate in job transitioning efforts is illustrated by its placement of approximately forty percent (40%) of their total clientele in jobs. In view of these accomplishments, the Tribe's NVRP has demonstrated its capacity to operate its program in a responsible manner and its management of a program comparable in size, financially and geographically, to other states and trust territories.

Based upon these considerations, the Navajo Tribe formally requests the following changes on how its receives funds under P.L. 95-602:

1. Allow for the Navajo Tribe to obtain state program status under P.L. 95-602, under Title I in order:

   a) to stabilize annual funding: and b) to achieve equity of funding comparable to states. The latter objective arises out of the present situation where states continue to receive formula allocations which include the Navajo disabled population but have turned over the program responsibility to the Navajo Tribe.

2. Alternatively, if the Navajo Tribe is to retain its "Special Projects" status under Section 130, then it requests increased funding appropriations to meet the expanded program functions to properly serve its disabled population. We suggest that Section 130 funding be provided in two line item categories:

a) continuing funds for established programs; and

b) innovation (development) funding for new grantees.

The Navajo Tribe fully understands the intent of the DOE's decision to accept competitive applications to provide opportunities to other potentially capable American Indian organizations to develop relevant Vocational Rehabilitation services for their people. We feel strongly that the intent is not (and should not be) to detract from provision of appropriate services provided by existing programs. We hope you will assist us in securing the legislation necessary to give our program the legal support and financial support it needs to continue.

## RECOMMENDATIONS:

To avoid serious disruption of the Navajo Vocational Rehabilitation Program and major reductions in service to the Navajo handicapped population, the Navajo Nation offers the following specific recommendations to fully resolve these programs:

A. In regard to FY 1986 FY 1985 appropriation contracts under Section 30, either direct that a sole contract be issued to the Navajo Vocational Rehabilitation Program, the only ongoing Indian program, at its current funding level ($715,000); Or seek funds in a supplemental appropriation to maintain the funding of the Navajo Vocational Rehabilitation at its current funding level ($715,000), and provide funding for such additional Indian Vocational Rehabilitation programs as may qualify for funding by the Department of Education, Office of Special Education and Rehabilitation Services;

B. In regard to the FY 1986 appropriation (which will fund FY 1987 contracts), either earmark the entire requested appropriation for the Navajo Vocational Rehabilitation Program, thus maintaining the program at its FY 1985 funding level, or increase the appropriation above that requested and establish a separate line item for established Indian Vocational Rehabilitation Programs (or for the Navajo program) and a separate line item for new and innovative programs.

C. In regard to the Rehabilitation Services Act, make provision through appropriate legislation, to formularize the funding for established Indian Vocational Rehabiliation programs by according them "state status" or through other language which provides continuity for established programs.

D. In order to gain a comprehensive understanding of the Vocational Rehabilitation needs of reservation populations, conduct a comprehensive study of the vocational rehabilitation needs and resources available to Indian tribes and reservation populations. Such a study would enable the Congress to more appropriately make provision for this population both in appropriations and in the vocational rehabilitation laws.

Mr. Chairman, we thank you and members of the committee for this opportunity to present our views on Vocational Rehabilitation.

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## SUPPLEMENTAL STATEMENT OF THE ARTHRITIS FOUNDATION

In accordance with your letter of invitation to testify on FY 1986 appropriations, the Arthritis Foundation herewith submits a supplemental statement for use by the Committee in recommending appropriations for the National Institute of Handicapped Research, Office of Special Education and Rehabilitative Services, Department of Education.

The Arthritis Foundation has a special interest in the programs and projects of the National Institute of Handicapped Research (NIHR), as well as those of the Rehabilitation Services

Administration. Arthritis causes more disability than any other chronic disease. Over 7 million Americans are disabled by arthritis, in one or more of its 150 forms.

One year ago, the Arthritis Foundation formally entered into a cooperative agreement with the Council of State Administrators of Vocational Rehabilitation and with each of the program offices of the Office of Special Education and Rehabilitative Services: the Rehabilitation Services Administration, the Office of Special Education Programs, and the National Institute of Handicapped Research.

One of the major factors motivating the Arthritis Foundation to seek this agreement was the lack of services to adults and children through the vocational rehabilitation and special education systems, and the very limited amount of rehabilitation research activity relating to arthritis. We believe, as do the administrators and staff of the signatory agencies, that a substantial increase in attention by these programs to the service and research needs of the arthritis population would be of major benefit to this large segment of disabled Americans and to our nation.

One of the outgrowths of the cooperative agreement on arthritis has been the beginning formulation of a national conference on arthritis rehabilitation research, which we anticipate will be held in 1986. Participants will include clinical rheumatologists and scientific investigators, specialists in rehabilitation medicine, and other health professionals. The National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases, through its Arthritis, Musculoskeletal and Skin Diseases Division, will cosponsor the event.

The President has requested level funding for NIHR in Fiscal Year 1986 at $39 million. Although the Arthritis Foundation concurs in the overall need for budget constraints in order to limit the size of the deficit, the proposed level funding for NIHR comes at a most inauspicious time. The Institute would be unable to undertake important new research projects in arthritis which would flow from the recent recognition of the importance of this group of disabling diseases.

A small increase in funding for FY 1986 is imperative in order to take advantage of exciting new areas of research. The long-term stultification of research through NIHR resulted in a program that for a decade produced no significant rehabilitation applications for persons disabled by arthritis. With the advent of the new cooperative agreement and new interest in collaborative efforts in arthritis services between NIH and NIHR, the time is ripe to provide an impetus for these important initiatives.

The Arthritis Foundation therefore urges this Committee to recommend an appropriation of $44 million for the National Institute of Handicapped Research, an increase of $5 million over the FY 1985 level. A portion of the proposed increase should be applied to funding projects in research and engineering, and possibly a new research and training center in the arthritis field.

We believe strongly that the potential benefit of even a small increase in attention to arthritis rehabilitation research will be enormous. Chronic arthritis and musculoskeletal diseases deprive our national economy of substantial productivity. Because the traditional focus of arthritis therapy has been on medical management of the disease, efforts to assist persons with arthritis to overcome the economic impact of their disease have been neglected.

To reduce the huge burden imposed on our national economy by arthritis, the building of a substantial rehabilitation component is essential. We need to educate employees and unions to allow people with arthritis more job autonomy, to devise ways to help them overcome their limitations, and to create new job opportunities. This can only be done by expanding the rehabilitation system's focus on arthritis and by giving that system the means to provide VR services through rehabilitation research.

The Arthritis Foundation will be pleased to provide the Committee any further information available to assist the Committee in its decisions on the FY 1986 budget for NIHR, RSA, and the Office of Special Education Programs, as well as the National Institutes of Health, and would welcome further inquiry.

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## STATEMENT OF LEONARD NOVICK, EXECUTIVE DIRECTOR, CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mr. Chairman and members of the Subcommittee, the Convention of American Instructors of the Deaf is an individual membership organization representing approximately 2,500 teachers of the deaf and hearing impaired. The Convention was established in 1850 with a primary mission to promote the exchange of information related to the effective education of deaf students. The Convention (CAID) was incorporated by Act of Congress in 1898 as a nonprofit association in the District of Columbia. It operates almost exclusively on the basis of the dues of its individual members. Since 1850 the CAID has been instrumental in publishing the journal, the American Annals of the Deaf. which is said to be the oldest continuously published educational journal in the United States.

We appreciate this opportunity to share our concerns with you and the Subcommittee members. We wish to limit our comments at this point to the programs authorized under part F of the EHA, especially the programs for the deaf which involve captioned films and television, and other educational media.

The deaf population represents, for some needed services, a market which cannot be served effectively without subsidy.

Mr. Chairman, we believe that to obtain a proper perspective on the service delivery needs of the deaf population, a few fundamental facts must be appreciated:

1) Deafness, especially if it occurs before the development of speech and language, has an extremely severe impact on the educational development of a young child.

   Deafness is a major educational handicap.

2) The problem presented by deafness is not a lack of hearing per se, but the potentially severe implications for the development of language ability.

The major handicapping effect of deafness for children is upon language.

3) The problems of communication and educational development of moderately and mildly hearing-impaired students (of whom there are many) are not the same as the problems of severely hearing-impaired students.

   Deaf children need specialized reading material because of their language difficulty.

4) There are substantial numbers of moderately and mildly hearing-impaired individuals but relatively few severely deaf students, and they are increasingly dispersed more thinly throughout the country.

   The problems of service delivery are being intensified by this dispersion.

5) Educational products and services which are tailored to the needs of severely hearing-impaired students tend not to be viable for producer/distributors to market.

   There are too few deaf children to sustain commercial development and distribution of needed highly specialized materials.

6) The numbers of severely hearing-impaired students in most school districts and even intermediate units does not reach the size of the population which would cost effectively support highly specialized support services in relation to curriculum development and media production of a sophisticated nature, or even highly specialized resource acquisition.

   Schools and programs cannot be expected to produce (or sometimes even to purchase) highly specialized materials for use by a small number of students.

7) There is a continuing need for centralized services and service delivery in a number of areas of education of the deaf.

   The entire field of education of elementary and secondary aged deaf students is comparable in size to a moderately large school district, but it is spread throughout the nation.

Mr. Chairman, the Media Services and Captioned Films for the Deaf program is one of those federally supported programs which has effectively provided services which are needed on a continuing basis.

The Captioned Films program and related media services have demonstrated that they provide services that deaf persons and educators of the deaf need and want. Among its accomplishments the program has:

1) Developed a collection of more than 1,000 general interest films which have been captioned (subtitled) to make them accessible to deaf persons. More than 100,000 film loans are made each year from a centralized distribution center to more than 7,000 groups of deaf adults. The number of registered groups has increased each year notwithstanding the introduction of broadcast captioned programming on television.

2) Developed a collection of more than 1,500 captioned educational films for classroom use with deaf students. More than 150,000 film loans are processed each year by and through 58 cooperating film depositories mostly located in schools/programs for the deaf. These facilities absorb the majority of the cost for circulation to registered accounts in their general area. In the aggregate these serve more than 3,000 accounts in schools and programs. In a recent year the number of accounts increased by more than 20 percent.

3) Developed the Line 21 closed-captioned TV technology largely due to federal program support. A significant amount of captioned programming is being made accessible to deaf people through broadcast television.

The deaf community participates in the cost of captioned services.

It is important to recognize that the deaf community, which benefits from the captioned film/television services, has made, and continues to make, a significant investment in order to use these services. The deaf persons who organize groups to borrow and watch captioned films also purchase projectors and pay return postage costs in order to use the films. No charge can be made for admission to viewing a captioned film loaned under this government program. The agencies/schools which operate the 58 educational captioned film depositories absorb as much as 80 percent of the cost of circulation of educational captioned films. Deaf persons who wish to benefit from closed-captioned television must make an investment of more than $200 for a television decoder. Approximately 90,000 decoders have been purchased. The media related services currently availble to the field of deafness represent a reduction in services.

In the late 1960s (in the Department of Education):

1) General interest captioned films were centrally selected, captioned, and distributed.

2) Educational captioned films were distributed through an effective decentralized system.

3) Film selection and captioning for educational captioned films were centrally provided.

4) Regional programs provided media utilization related training for teachers of the deaf.

5) Regional programs developed media and materials for the deaf.

6) Regional programs provided technical assistance to schools and programs to facilitate the use of media with the deaf.

By the mid-1970s:

1) Regional programs for the deaf were replaced by generic regional centers which served state education agencies and local education agencies, but lacked expertise related to deafness.

2) Media development and demonstration for the deaf was consolidated into a single project, and training in media utilization was eliminated.

3) Information dissemination about media/materials for the deaf was centralized, integrated with other media related information services, and rendered nonresponsive.

4) Experimental programs with closed captioning were introduced with technical success.

5) Grant funded programs existed to stimulate innovative media applications with the handicapped.

6) General interest captioned films continued to be centrally selected, captioned, and distributed.

7) Educational captioned films continued to be distributed through an effective decentralized system.

In the early 1980s:

1) Centralized media development and demonstration for the deaf was eliminated.

2) Funding for captioned television appears substantially reduced, and the level of support does not permit specialized programming for children and elderly deaf persons.

3) Grant funds to stimulate innovative media applications are eliminated.

4) Newer technology which holds the promise to benefit the deaf and their education are not being explored and disseminated to an adequate extent.

5) General interest films are centrally selected and distributed, but projected funding levels for this activity will not sustain the previous level of service nor accommodate substantial predicted increases in postage costs and other inflationary factors.

6) Educational captioned films are centrally selected and circulated through a decentralized delivery system, but projected funding levels will not support acquisitions to meet highly specialized needs where the number of potential users is small.

Recent trends in Part F expenditures are disproportionately reduced in the face of inflationary trends.

The CAID recommendations for Part F budget level and allocation.

We hope that your committee will see the importance, to deaf persons and to the field of education of the deaf, of attaining budget levels significantly higher than those proposed by the administration. While we are not in a good position to make and justify specific levels and allocations within the Part F area, we are especially concerned that a greater level of support be made in the captioning area--for both film and television related services.

Mr. Chairman, we believe the level and allocation of funding as suggested by the authorization of $21.1 million would permit the accomplishment of several important purposes:

1) It could add limited funds to the distribution function which would permit an investment in continued technologically based efforts to increase efficiency in film distribution.

2) It could permit expansion of television captioning efforts to allow added effort in captioning daytime and children's material that may be less competitive, but nontheless important, for those who want to view such material.

3) It could permit developmental efforts required to make the current line 21 technology compatible with future developments so as to assure access for deaf people to future developments.

4) It could allow the retention of higher levels of effort in the Centers area through which the Special Education Programs could recognize the need for continued and improved efforts in media/materials development, as well as in training of teachers of the deaf in effective media utilization.

5) It could permit restoring of funds for support of innovative and development grants which present opportunities for funding the development of concepts and applications that reflect the creativity of programs in the field which deal daily with the challenges and opportunities of educating handicapped youth and adults.

Mr. Chairman, we appreciate the opportunity to share our views. We hope that the values of the programs for the handicapped, including the deaf, which have been developed with the support of the Congress are not lost in an effort to apply particular philosophies of governmental service delivery where they may not fit well. We strongly believe that the Administration's budget request for Part F programs, as well as other discretionary program areas, will be damaging to the educational and cultural future of deaf people.

We urge the committee, therefore, to support an appropriation which set the level of funding for Part F to the FY 86 authorization of $4.1 million. This level, as you well know, would not truly restore the 1980 buying power since it does not reflect an adjustment for inflation since 1978.

Senator HARKIN. Again, I will ask you the same question as I asked Dr. Gustason. If in fact the freeze is held in place, who will be the most impacted out of this entire group that you are representing? What group do you think would feel the major impact of a freeze?

Mrs. SPIVACK. The rehabilitation, the next step, the continuum of care that you are talking about. The medical facilities, the acute care facilities have done a much better job over the past few years in keeping survivors alive by the number. Now when they are discharged there is no system for them to turn to, except in the private sector, which is quite costly, and only those privately funded have the opportunity to enhance their rehabilitation. For those that don't, we turn to three places. They either end up in State psychiatric facilities. They end up vegetating in a home. They end up wandering the streets, or they end up in our jails, or they end up in geriatric centers further regressing. It is very dismal.

Mr. BUSH. I could not single out a group. The issue here is the post-acute care. When you leave acute care, and you are comatose, and you are told as a family, "Now it is your problem." We need to train specialists. There are very few persons out there that work with the traumatically brain injured, and the condition is no more or less severe than other disabilities, it is just different. So we need trained staff. We need facilities. We need the whole range of things.

We have made tremendous progress, we meaning the private sector, by the way. Some help from Government would be of great assistance.

Mrs. SPIVACK. The disability is always so complex because you are combining the physical, the neurological, the emotional, the psychological. You cannot separate any of the disabilities, they come as a package. That is the problem, our children are all of those. They own every disability that you can possibly imagine.

There are others in this room, Mrs. Demickeles met with a member of your staff, her son is one of our walking wounded. He was an accountant, a member of one of the best firms. He is now no place. He is a ship lost at sea, literally. He is not able to return to any job. No employer will keep him. Yet, he looks so good and tests so well that he can't collect Social Security disability because he doesn't fit all of the current criteria. So you see, we run at both scale of the spectrum, from the most severely disabled as our children to Alice's son who is 28 years old and if he would walk into this room, you would say, "What is the problem with that young man?"

Mr. BUSH. My son is ineligible for Social Security because of the absence of eligibility criteria. He is privately funded to the tune of $367 per day.

Senator HARKIN. There is no Social Security criteria at all?

Mrs. SPIVACK. No; we have been working with Social Security Disability Administration because right now head trauma falls under the current international classification disease code No. 9 in over 100 different places. The DMS 3 category does a very inadequate job of specifying that disability, so someone with a traumatic head injury can fall into over 100 different categories of disability. It is mind boggling.

Mr. **Bush**. It is amazing what amateurs learn when they are forced to by these complex systems.

Mrs. **Spivack**. I am smiling because I am exhausted.

Mrs. **Demickeles**. I have been talking to the aides. You have $250,000 lifetime maximum on your life insurance, unless you live in a no fault State or a State with workers' compensation, your life insurance does not address long-term rehabilitation. So when your $250,000 runs out on your insurance policy, you have no insurance. Therefore, this is where many of us are at this point because traumatic brain injury is lifetime.

Mrs. **Spivack**. Our people are medically stable. We are talking about a young population between the ages of 15 and 30. So you have a 40-year life span.

Senator **Harkin**. Social Security has classifications for spinal cord injuries.

Mrs. **Spivack**. That is right, but they don't have for traumatic brain injury.

Mr. **Bush**. This is traumatic brain injury. This is neurological damage which creates psychological learning problems, memory problems, and behavior problems, which are secondary usually to a crushed skull. There are two basic categories: open-head injury, which my son suffered, where his head was actually opened and he lost brain matter; and closed head injury which is typical of an automobile accident or a lifetime as a professional boxer that will create those symptoms, slurred speech, inability to remember.

A college professor in New York, this woman does magnificently, but if a student interrupts, she cannot cognitively remember her stream of thought, she has to go back to her notes. She is receiving some help in New York.

As the new kid trying to get on the block, I should point out that 5 or 10 years ago these persons didn't survive. The advent and the Federal subsidies for helicopters and for acute neurological training has created a reservoir of some 200,000 persons for which there is no downstream which is the point where we are begging for minimal assistance to create the downstream. These persons would have in a previous generation died. We are now saving them literally by the tens of thousands.

Senator **Harkin**. Thank you very much.

Mr. **Bush**. Thank you.

## STATEMENT OF GAYLA REITER, EXECUTIVE VICE PRESIDENT, NATIONAL COUNCIL OF SOCIAL SECURITY ADMINISTRATION FIELD OPERATIONS

Senator **Harkin**. Next is Gayla Reiter, executive vice president of the National Council of Social Security Administration Field Operations.

Ms. **Reiter**. I have brought some source documents in case some questions came up. I did submit a statement for the record, but I am going to summarize my remarks and hit some of the high points. I will also update some of the remarks that I made in my testimony.

We recently had a meeting with the Commissioner of Social Security, and it became clear in that meeting that Social Security had responded to Mr. Stockman's request for large budget cuts without having any idea how they could justify or actually accomplish these cuts.

They projected that they could accommodate 17,000 cuts in our staff without knowing where these would come from. This is supposed to be over the next 3 to 4 year period. They also indicated that they would be closing a number of field office staffs.

Social Security has been trying to downplay recently the closure of offices, but they are planning all over the United States to close offices. Just Friday, I got a copy of a questionnaire that was distributed in the Glenn Burnie office, and that is an office of over 35 employees, asking employees where they wanted to be reassigned.

In your own State of Iowa, at least 17 offices are targeted for closure.

There have been internal documents which the union obtained that indicate that in many areas, many offices are already targeted for closure. They are making contracts with GSA to consolidate offices, create huge, monolithic offices, very similar to what happened to IRS.

They are indicating that they can accomplish staff reductions and office closures in a very similar way to what IRS is doing, and we are all reading every day in the paper what is happening with IRS. It simply does not work in a service oriented agency like Social Security.

We are having severe problems right now providing service to the public that we serve. In many States there would only be one Social Security office left in the entire State. In the State of South Dakota there would only be one office left. In your own State, 17 of the offices would be closed.

The agency's solution to this is to say, "We will install computer terminals in shopping centers, and the elderly and the disabled can go in and try to work the computer and get answers to their questions." However, nothing can substitute for a human individual who can respond in different ways to different questions. You can only program a computer a certain way. Many seniors and disabled have difficulty operating such computer terminals.

Another difficulty is that our own requirements require a face-to-face interview every year when you are applying for SSI, or if you are going to have your benefits redetermined, which is a requirement every year. To require the aged and disabled to get into these offices despite their disability, and travel long distances, would be a severe handicap.

The staff reductions that we have already suffered have caused very severe problems in our offices. We have large backlogs of mail. We have overpayments and other postentitlement actions that have been backlogged for 1½ years. We have filing cabinets full of mail that we have not been able to get to. I have some pictures of some of the backlogs. Many offices have 6 or 8 months of backlog mail that they have not been able to open.

We postpone doing work like repayee accounting. We have not done repayee accounting for about 5 years because we did not have the staff to do it. It wasn't until we were dragged into court that we finally resumed this aspect of our job requirement which has always been mandated, but we didn't have the staff to do it.

We take shortcuts simply because we don't have the staff to do the work. We abbreviate the SSI application. We abbreviate the redetermination application. What this does is create huge overpayments. One-half a percent increase in the overpayment rate costs the Government $1 billion. So these short-term cuts are going to result in 10 or 20 times the amount of savings that you can accomplish.

I urge you to mandate Social Security to maintain current staffing levels, do not allow any closures of offices. For the individuals who are in the audience that share these concerns, I have brought extra copies of my testimony, and listings of some of the offices, by State, that would close. I invite you to pick them up.

### PREPARED STATEMENT

Senator HARKIN. May I have this?

Ms. REITER. Yes.

Senator HARKIN. Thank you very much.

[The statement follows:]

## STATEMENT OF GAYLA REITER

My name is Gayla Reiter. I have worked for the Social Security Administration for nearly 18 years and hold National, Regional and Local Positions in our Union, which represents Social Security Field Office employees.

Most of you are now familiar with the issue of proposed office closures. SSA in its budget submission this year declared it had already implemented over 80% of the Grace Commission's recommendations. The Grace report proposed closure of 843 District and Branch offices, closure of all 33 Teleservice Centers, closure of all 3,476 contact stations as well as closure of all resident stations. It was no coincidence that the critera established in SSA's 1/28/85 instructions to each Regional Office (entitled: "Draft Service Methodology") resulted in roughly the same number of office closures. That memo suggests closing any office of 10 employees or under in rural areas and closing offices of 25 employees or less, within 25 miles of another office in metropolitan areas. You've all seen Congressman Roybal's listing of offices which meet this critera - more than 770 offices! His listing was conservative as it did not include teleservice centers, resident stations or contact stations. The memo mandated a 2/15/85 response - so by now each Region has submitted a list of targeted offices.

The memo's critera would result in 35 of the 53 offices in the Seattle Region closing; more than 75 offices would close in California; one office would be left in the entire state of South Dakota and in some areas people would have to travel 5 hours to get to the nearest office. Many areas have no bus transportation, yet SSA's regulations require a face to face interview for those individuals who are initially applying for SSI as well as a subsequent yearly personal interview for redetermination of their eligibility.

Social Security Regional Commissioners have the authority to close offices, but not to open them. Having been involved in opening a new Social Security office as a Branch Manager, I can testify to the long, complicated process involved on acquiring and opening an office - it often takes 3-5 years!

The closure of these offices will not result in any appreciable savings in tax payer dollars, but it will be very costly in terms of our Agency's ability to provide good service. Not only will the elderly, disabled and disadvantaged suffer the hardship of traveling long distances to get to Social Security Offices, their ability to resolve problems by phone would be taken away as all Teleservice Centers would be closed.

We've heard top agency officials hypothesize possible staff savings due to alleged systems improvements which they allege will allow them to cut 18,000 employees with neither RIFs nor a decline in public service resulting. Baloney!!

I work in a field office and can assure you that we are currently facing severe workload problems due to the roughly 3,000 personnel we've already lost in the past two years. The alleged systems improvements are in the pretest phase; the agency is chronically behind schedule, is experiencing serious problems with both hardware and software, has not bargained any of their projected plans with the Union, yet has already factored in a reduction of roughly ¼ of our total staff.

As Congressman Jim Jones, Chairman of the SS Subcommittee so aptly stated in a recent letter to Acting Commissioner McSteen: "I have never known any such large scale, complex technological transformation to be carried out without major implementation problems, delays, and changes. It would seem far wiser and more consistent with all previous experience, to get the new system going before making projections about the radical transformations and presumed improvements it will bring in its wake."

Let me highlight just a few of the many service delivery problems we are currently facing in field offices due to prior staffing freezes or rerestrictions:

1. MAIL BACKLOGS -- several offices throughout thecountry are so busy interviewing the public each day they can not process incoming mail. Many field offices have large boxes full of unassociated mail and filing cabinets full of claimant letters/ inquiries requiring processing -- but workers can't get to them as they are interviewing all day.

2. OVERPAYMENT/ POST ENTITLEMENT BACKLOGS -- many offices have several filing cabinets full of post entitlement actions they've been unable to process due to staffing restrictions. The backlogs contain items such as unworked underpayments, over-payments, scrambled earnings cases, redeterminations, etc. Many of these cases are well over one year old. Several offices are in economically depressed areas and serve claimants that are illiterate or who do not have the skills to pursue their own claims. The overtime allocations that have been keeping some of these heavily impacted offices afloat have been eliminated in the current budget proposals - how the work will now get done is problematic.

3. LONG WAITING TIMES -- claimants coming into field offices often wait at least an hour to be interviewed - but in many instances, must wait even longer (i.e., as much as 3-4 hours) before being helped.

4. REPORTING INSTRUCTIONS NOT COVERED -- the pressure is so stong to produce immediately "talliable" items to meet the ever changing statistical "goals" that we take short cuts. Speeding through interviews and not explaining each claimant's reporting requirements are the only way to cope with grossly inadequate personnel. This leads to an uninformed claimant and a potential overpayment later. There is no savings on the staffing cuts as a 1% increase in the overpayment rate equals a billion dollar cost to the Administration.

5. STATISTICAL MANIPULATIONS -- many managers and supervisors being pressed to produce favorable short term statistics take actions which harm the claimant. A few glaring examples have been reported in the media - claimant's benefits have been terminated due to statistical inputs by managers and supervisors who want to meet an immediate weekly goal. Time restrictions don't allow me to detail the many examples here, but each of these instances force us to question whether the purported statistical "goals" used by the Agency relate in any manner at all to actual good public service.

6. NEW PROFILE TECHNIQUE FOR SSA REDETERMINATIONS IS A TIME BOMB-SSA has projected staff and cost savings by redefining what they feel are those situations & redeterminations likely to result in overpayment. The number of SSA redeterminations we have to process has increased (35,000 more are projected for this year than last.) SSA has administratively decided to take a 10 question form, rather than 10 page form on several of these redeterminations. What it means is, we're not going to look for the overpayments - a "what we don't know, won't hurt us philosophy." But unfortunately, many of these overpayments do surface, albeit sometimes years later when corrections are much more difficult to document or correct. The small immediate administrative savings we achieve through staff cuts, actually costs us millions more in benefits incorrectly paid.

7. POST ENTITLEMENT ITEMS IGNORED -- we have become so sophisticated at manipulating statistics to meet the ever changing "goals" that low priority items are often ignored. One such low priority item has been representative payee accounting. Though we are supposed to review a representative's use of funds for a claimant annually,

in actual fact, SSA had suspended performing these reviews for years. In many instances, payees were not using a beneficiary's funds for his support and some claimants were literally starving. It wasn't until a disgruntled claimant filed a class action suit over his payee's misuse of his funds and the court ordered SSA to reinstitute annual accounting that we resumed performing this required function.

The changes in the disability program (resulting from 17 class action suits and Congressionally mandated program changes), resumption of representative payee accounting, new more stringent criteria on overpayments (which results in many more time consuming personal conferences) all point to the need to add significant additional staff, not decrease it.

Our agency has an admirable track record- spending less than 2% of its budget on administrative costs while maintaining a payment accuracy rate of over 99.6%.

Congressman Roybal decried these proposals: "If a 20% reduction in staff results in just a 2% increase in the overpayment rate, there would be a $3.75 billion increase in overpayments in 1986 alone." He added, "that's 150% of the total amount to administer all of the Social Security programs last year."

Where is the efficiency or economy in dismembering such an effective organization - one whose accuracy, courtesy and service to the public has been unblemished? On the other hand, look at the high potential costs of such a disruption. Even SSA Commissioner McSteen's confidential memo to the Secretary of HHS acknowledged these citing "high relocation costs, adverse labor relations impact, low employee morale and productivity," as well as "diminutation in the ability to oversee, track and anticipate operations problems." She predicted "reduced services to the public" would result.

What we see proposed in President Reagan's Budget strikes at the very life blood of federal employees and the various agencies at which they are employed. Conscientious employees are leaving our agency with 15-25 years of service..no longer able to endure the deplorable working conditions combined with unjust/unfair treatment. This experience and expertise are not readily replaced. Additionally, agencies decimated by harsh unthinking cuts are often left permanently crippled and ineffective.

I am attaching Congressman Jones (Chairman of the S.S. Subcommittee) 4/17/85 letter to Commissioner McSteen; Denise Mahoney's (Supervisor, Legal Aide Society) Statement as well as John Riordan's (President AFGE Local 3369) Statement to my testimony. Each of their statements expand on key issues of this question.

I urge you to look at these current budget proposals with a long term perspective -- do not allow our efficient agency to be decimated - mandate a moratorium on closing offices and at minimum, a continuation of current staffing levels!

## LETTER FROM JAMES R. JONES, U.S. REPRESENTATIVE FROM OKLAHOMA, CHAIRMAN, SUBCOMMITTEE ON SOCIAL SECURITY, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES

April 17, 1985

Honorable Martha McSteen
Acting Commissioner
Social Security Administration
Department of Health and Human Services
220 Independence Avenue, Southwest
613-D Hubert H. Humphrey Building
Washington, D.C. 20210

Dear Mrs. McSteen:

The Social Security Subcommittee's hearings on the implications of the Administration's proposals for major staffing reductions and the closing or downgrading of hundreds of SSA field offices have raised some disturbing questions that need to be further examined by SSA and the Congress. Foremost among these questions is the way in which both the service delivery assessment and the staffing projections were developed. It is not at all clear whether SSA undertook this assessment and arrived at its projections on the basis of a sustained and systematic administrative analysis, or whether the projections represent an effort to comply with an OMB directive to achieve certain predetermined budgetary goals for which no adequate justification could otherwise be provided.

The testimony submitted to the Subcommittee at these hearings failed to resolve this question. Indeed, the evidence as to the underlying motives for making the projections and the specific procedures followed in preparing them raises considerable doubt about the seriousness of the analytical work done to justify the entire undertaking. No one disputes the desirability or potential feasibility of providing high quality public service in a more efficient and possibly less costly manner. But merely asserting the theoretical possiblity is not a sufficient basis for making long-term projections about the size, dispersion and staffing of field offices; detailed analysis and evaluation of the many administrative and programmatic consequences that can be expected to result from major structural changes need to be done. In short, long-term projections need to be just that -- projections based on reflection on the long-term needs of the public and the organization, and SSA's capacities for growth, training and transformation -- and not concessions to short-term demands for the satisfaction or adjustment of parochial political interests.

There is, it seems to me, a great danger in SSA's apparent willingness to accede to OMB's abitrarily constructed budgetary goals for SSA's future staffing and organizational structure. It should be evident that OMB's budget plan is going nowhere in Congress and that the Congress, in whatever budget it approves, will be particularly sensitive to public demands for responsible, effective and accessible service. SSA's network of field offices is too vital a contact point with the Federal Government for a large and growing proportion of our population to alter casually its structure on speculative administrative grounds. No other agency touches so many people or has so direct and profound an effect on their lives. Accuracy and reliablity of payments, responsiveness to public inquiries and the accessibility of local offices all can vitally affect the well-being of the public. Thus, the issue of the field structure and its staffing transcends the short-term question of potential administrative dollar savings; considerable weight must be given to the equally compelling effects of possible organizational changes on beneficiaries and the public generally.

Beyond these general concerns, there are some specific and disturbing questions about the manner in which the staffing and office projections were made. It is, for example, not at all clear that the service assessment was undertaken with the full understanding and participation of the field organization. The purpose of the assessment, the formulation of its parameters, the assumptions and criteria on which it was based have all been sharply challanged by components of SSA's own field organization. If anything, the hearings disclosed the possible existence of a credibility gap within SSA itself. The fact that the very people who will be expected to make any projected changes in the field organizaton work regard SSA's current projections as unrealistic or premature or arbitrary casts further doubt on the adequacy and wisdom of these projections.

Certain assumptions underlying the projections are also subject to serious question. It is assumed, for example, that the systems modernization plan will be implemented over the next few years without undergoing any significant delays or modification. Yet this plan, particularly the field organization phase of it, has barely begun. I have never known any such large scale, complex technological transformation to be carried out in accordance with a preconceived master plan without major implementation problems, delays and changes. It would seem far wiser, and more consistent with all previous experience, to get the new system going before making projections about the radical transformations and presumed improvements it will bring in its wake.

A further and profoundly important question concerns the clearly inadequate criteria for defining and achieving an acceptable level of public service. Your own field staff, as well as GAO, raised this point repeatedly during our hearings. The establishment of appropriate service levels for applicants and beneficiaries represents a major challange for all of us. How far should the aged and disabled have to travel to reach a social security office? How long should they be expected to wait in an office? How much assistance should be provided in obtaining necessary documents? How long should it take from the filing of an application to the receipt of first payment? What should the public reasonably expect in terms of personal attention from an agency that has a duty to assist people in the pursuit of their rights and that will probably become more automated in the future?

Of necessity, we must look to SSA to clarify these questions and provide reasoned, responsible criteria. It is regrettable, therefore, that there appears to have been little in the way of serious analysis in your service delivery assessment or in the testimony presented to the Subcommittee of what the desired levels of public service should be. As a result, there simply are not clearly defined goals in this area. In the absence of such goals, I find it difficult to put much credence in long-term staffing or field office projections.

I want to emphasize again that I have an open mind about what changes ought to be made in the administration of the social security program, and I would certainly not suggest that improvements and streamlining of service cannot be made. But we must be sure that service delivery improvements really are improvements and not simply cover for purely personnel reduction actions that may not in the long run produce dollar savings for the Federal Government, and may seriously reduce the level of service provided to our elderly and disabled citizens.

SSA has the major responsiblity for collecting the data and performing the analyses that will enable us to make this judgment.

It has not, so far, done that satisfactorily. Therefore, I urge you to undertake an immediate reexamination of the whole issue of service delivery, but proceeding this time in a more open, responsive and analytic manner. There is a need for a clear and generally acceptable definition of an adequate level of service, and criteria to measure it; for realistic assumptions about the implementation and impact of automation; and for a greater involvement of all levels of the field component in the process of conducting the assessment.

As I am sure you would agree, it is of critical importance to assure that long-range planning for the management of the social security program is both soundly based on reliable data and realistic assumptions, and consistent with program and public service requirements. My recommendations for conducting a reexamination of current projections are intended to help achieve this objective. I can assure you of the Subcommittee's readiness to assist you in this enterprise and of our continuing interest in this issue.

Sincerely,

JAMES R. JONES
Chairman

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## LETTER FROM DENISE K. MAHONEY, SUPERVISING PARALEGAL, ADMINISTRATIVE LAW UNIT, LEGAL AID SOCIETY OF ALAMEDA COUNTY, CA

March 29, 1985

To Whom It May Concern:

I am the Supervising Paralegal in the Administrative Law Unit of the Legal Aid Society of Alameda County. This office represents approximately 1,000 Social Security and SSI appellants each year.

Many of the appeals handled are overpayments caused by Administrative error or delay in processing information. I am enclosing three such cases. In each, all information regarding the income or household change was promptly reported; but no action was taken to correct payment amounts. In each the Administration is taking the stance that after reporting the claimant's "should have known" their checks were to have changed - despite notices to the contrary.

Appeals in such cases are frequently quite lengthly and are conducted at great cost to the Administration. Our reversal rate is currently 86% at the Hearings level. A clear indication of the frequency of such cases.

We have seen a rise in these types of cases over the past four years. It has been our experience that Claims Representatives are far too overworked to handle any matter which is not accompanied by a visiting claimant.

The notion that the number of Service Representatives or Claims Representatives can be reduced further is clearly contraindicated. The bulk of the work done by the Administration requires face to face contact with the claimants. Without this contact many more errors and claimant's misunderstandings will be propagated and Administration costs are likely to increase as a net result.

Because of the large number of claimant's currently on benefits; those who need to visit the Social Security offices are obliged to wait hours on end before a Claims Representative is free. This often aggravates their disabilities and causes a great deal of anxiety. However, without the face-to-face contact; many claimants are unable to comprehend their rights and responsibilities; properly report changes which effect their payments or even pursue their appeal rights.

Our offices are often able to resolve problems by making a phone call to the Local Social Security office regarding a specific case issue.

The proposition that the number of Service Representatives and Claims Representatives be reduced has been clearly contraindicated by our experience. Our Unit strongly feel that fewer Representatives will reduce the time claimants are able to spend with a knowledgable source who can explain the ever more complicated Social Security/SSI System. This, in turn, will result in more client ignorance and misunderstanding and lead to more difficulties. The Administration has so much paper work at present that they can't always keep abreast of all of it. Reducing staff will surely not remedy Administration delays and errors and would only escalate the Administration expenses in the resulting increase of appeals.

I am writing this letter on rather short notice; if any further examples or clarification would help you in your determination; please fee free to contact me any Monday through Thursday at the above number.

Very truly yours,

Denise K. Mahoney

DENISE K. MAHONEY
Supervising Paralegal
Administrative Law Unit

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## TESTIMONY BEFORE THE COMMITTEE ON WAYS AND MEANS, SUBCOMMITTEE ON SOCIAL SECURITY GIVEN BY JOHN RIORDAN, APRIL 3, 1985

HONORED MEMBERS OF THE SUBCOMMITTEE ON SOCIAL SECURITY, I have been a claims representative with the Social Security Administration for over ten years. I have also been concurrently AFGE Local 3369 President for the past six years. Local 3369 represents all Social Security Field Operations employees in New York City, Long Island and Westchester County.

In addition to my duties as president of Local 3369, I serve as Second Vice President to the National Council of Social Security Administration Field Operations Locals which represents approximately 40,000 employees nationwide. I have been appointed chief negotiator for the Union in the negotiations with management over the implementation of the Claims Manual Project/Field Office Systems Enhancement (CMP/FOSE) for all six components of the Social Security Administration covering 70,000 people.

Negotiations began last October with the management's introduction of what they termed the prepilot phase of CMP/FOSE. This was the first leg of the journey in the introduction of computerization of the claims-taking process. No live cases were taken during the pre-pilot. It was more or less an attempt to familiarize both management and the employees with the computers and software through training and direct contact with the computers. The goal of the Claims Modernization Project according to management is to provide field offices with a modernized claims system by increasing computer system support in claims processing and certain claims-related areas. The Claims Modernization Project and the Field Office Systems Enhancement project are part of the Systems Modernization Project (SMP). The Systems Modernization Project is the Social Security Administration's overall project to provide modernized systems for SSA's business processes.

During the prepilot negotiations the union questioned management concerning the impact of SMP on future staffing. We were told that management foresaw no reduction in staffing as a result of SMP. The agency told us that the SMP is a growth-oriented design. Management is aware that the present system is too antiquated to maintain present levels of service to the public. The agency is merely trying to catch up to present day technology with SMP. Even today the agency is insisting when questioned by the union that it does not know what impact the SMP will have on staffing. If it does have an impact, the agency tells us, it will be in job redesign not reduction in jobs. In fact, they tell us staffing increases may be necessary as a result of office automation.

Now, with Ronald Reagan's effort to redirect more and more government spending from social programs to the pentagon, it has become necessary for the Social Security Administration management to back its chief executive by creating a rationale for huge staffing cuts. The truth is the SSA management does not know what impact office automation will have on necessary staffing to maintain current levels of service. The agency takes a great risk in telling Congress and the public that it can reduce staffing by 17,000 by 1990. SSA management takes a great risk in telling Congress and the public that there will be no reduction in services to the public by making huge staff reductions.

CMP/FOSE is presently scheduled to embrace only Title II claims. The computerization of Title XVI claims is targeted for after 1990. The Supplemental Security Income program is a substantial workload for SSA. So the agency can't even attempt to use CMP/FOSE to justify reductions in staffing with Title XVI workloads.

The agency, too, is assuming that office automation will be implemented without any hitches. Already, the schedule for the implementation has been adjusted several times. In 1981, SSA awarded a $100,000,000 contract to Paradyne Corporation for data processing equipment. Later, GAO reported that the failure rate of the computer equipment was three to four times that of similar terminal installations.

One of the two offices in the prepilot and phase I of the pilot is the Downtown Baltimore District Office. As of April 1, 1985 the office does not have the wiring completed which is necessary to connect the computers to enable them to take live cases. Additionally, not all the new office furniture has arrived. None of the chairs have been delivered. This will result in further delays and adjustment in scheduling the implementation of FOSE. This is an indication that delays are likely in the gradual computerization of all offices nationwide. Many SSA district and branch offices are located in older buildings which will not have the electrical capacity to handle the tremendous amount of hardware that is necessary to implement FOSE.

This Subcommittee should take note that the CMP/FOSE is at this stage an experiment not a reality. Any projections about its capabilities including the capability to run the SSA programs with substantial reductions in staffing without a reduction in service to the public made by SSA management should be questioned closely.

You may believe that I, as a union leader, have a bias in attempting to save the jobs of SSA wokers. That I do. But as congressional representatives you too should have a bias. That is, you must respond to the will of the public. If these proposed reductions in staffing in the Social Security Administration result in poor public service to SSA recipients after you have supported them, your constituents will hold you accountable too. I ask you to stop now this Administration's persistent attempts to erode the social programs of this country.

## SOCIAL SECURITY ADMINISTRATION

## STATEMENT OF FATHER HAROLD BRADLEY, SPECIAL ASSISTANT TO THE PRESIDENT, GEORGETOWN UNIVERSITY

### PREPARED STATEMENT

Senator HARKIN. Next, Father Harold Bradley, special assistant to the president of Georgetown University.

Father BRADLEY. Thank you, Senator.

I appreciate the opportunity to testify before your committee, and I appreciate your committee's support for our program now and in the past, and I would request that my testimony be submitted for the record.

Senator HARKIN. Without objection, all of the testimony will be made part of the record.

[The statement follows:]

## STATEMENT OF FATHER HAROLD BRADLEY

I am Father Harold Bradley, Special Assistant to the President of Georgetown University, and want to thank you and the members of this Subcommittee for the opportunity to testify.

I would like to address briefly the National Leadership Training Program which Georgetown's Center for Immigration Policy and Refugee Assistance is conducting under a one-year grant of $75,000 from the Office of Refugee Resettlement of the Department of Health and Human Services. The purposes of the program are twofold: (1) to identify the major policy and operational issues facing the nation's state and local legislators and administrators responsible for resettling refugees; and (2) to stimulate a greater cohesiveness and degree of cooperation among such officials in creatively addressing and successfully resolving those issues.

We are requesting an additional grant of $100,000 to continue this effort, including the identification of ideas and data on model programs; underutilized resources; new roles and functions, particularly in economic development and job creation; and other special issues in high impact areas.

In this regard, we would like to call the Committee's attention to a pilot program, designed and conducted by CIPRA to address the issue of economic development and job creation.

The Center for Immigration Policy and Refugee Assistance, with funding from the Small Business Administration, has just concluded a three-month bilingual training program in small business management for Vietnamese refugees in the Washington metropolitan area. This program, which can serve as a prototype for other areas as well as other ethnic groups, not only helps refugees and their families achieve economic self-sufficiency more rapidly, but also helps provide jobs for other refugees who will be hired to work in the new businesses. We ask the Subcommittee to encourage the Office of Refugee Resettlement to contribute $200,000 toward the continuation and expansion of this very promising program.

I would like to submit for the record additional information about these two programs.

## VIETNAMESE ENTREPRENEUR TRAINING PROGRAM

Georgetown University's Center for Immigration Policy and Refugee Assistance (CIPRA) has just completed a three-month pilot bilingual training program in small business management for Vietnamese refugees with funding from the Small Business Development Center at Howard University, which is supported by the Small Business Administration.

In order to continue and expand the program, we submitted an unsolicited proposal to the Office of Refugee Resettlement which has provided refugee business training and development both directly and through an interagency agreement between ORR and SBA in Fiscal Years 1984 and 1985. ORR has advised us, however, that business development projects, while important, are peripheral to their mission. ORR subsequently forwarded the proposal to SBA. We are encouraged that there appears to be substantial interest within the Small Business Administration in the program and the possibility of its being duplicated in areas of the country heavily impacted by Vietnamese refugees and their relatives who are now entering this country as immigrants. We ask the Committee to urge the Office of Refugee Resettlement to contribute the amount of $200,000 toward the continuation and expansion of this very promising program.

The U. S. Coordinator for Refugee Affairs in a recent report to the Congress stated that although refugees do move progressively toward economic self sufficiency, this process has been slowed over recent years, "posing the difficult question of whether additional program changes may be needed to improve strategies and to provide more appropriate avenues for refugees to achieve self-sufficiency in a timely way..."

The Georgetown program, by assisting the transfer of the refugees' business experience in their home country to the United States, improves not only their and their immediate families' economic condition, but helps create jobs for other refugees who will be hired to work in the new businesses and who will thus receive on-the-job training to fit them for enterprises of their own.

This training is unique for two reasons:

First, its objective has a multiplier effect of mobilizing the potential resources of the individual, his family, and his community.

While most refugee resettlement programs simply aim at short-term entry-level job placement, few take into account the business experience and entrepreneurial potential of many refugees who need but a few years to familiarize themselves with the business environment before they can start their own businesses. It is important that the refugees be trained in the basics of American business, such as bookkeeping, financing, and marketing. An ethnic business manager would provide employment to five to ten members of his or her family or community, who in turn would receive on-the-job training to prepare them to manage their own businesses in the future.

Second, the program's bilingual approach provides a unique method of instruction that overcomes both the linguistic and cultural barriers to successful enterprise. The introduction of bilingual instructors with U.S. academic credentials acts as a linguistic and cultural bridge. This allows for effective classroom discussions and seminar presentations by American business leaders, cutting down cost and time to the trainees who are in fact not freshmen students but middle management entrepreneurs and/or business leaders in their native countries.

It is hoped that research done and experience gained in this novel approach can be replicated in other business training institutions for other ethnic immigrant groups.

## NATIONAL LEADERSHIP TRAINING PROGRAM

The Center for Immigration Policy and Refugee Assistance (CIPRA) of Georgetown University is conducting the National Leadership Training Program (NLTP), under a one-year discretionary grant of $75,000 from the Office of Refugee Resettlement of the Department of Health and Human Services which was awarded in August 1984. The purpose of this program is to enhance the quality of leadership in refugee resettlement and, thereby, the quality of services to integrate refugees into American society.

The organization of resettlement efforts in the U.S. is of enormous complexity. A wide array of health, social, educational, and vocational services is used to help the newcomers achieve self-sufficiency. At the federal level alone, the Departments of State, Justice, Health and Human Services, Education, and Labor, and ACTION have become involved. Across the country, hundreds of state and local governments, voluntary agencies, private employers, and refugee mutual assistance associations are active.

The federal Office of Refugee Resettlement has nurtured this program through its first years, and has been responsible for seeding some remarkable experiments in human, social, and economic development. It has become clear, however, that the federal leadership is not sufficient to accomplish all of the tasks at hand. Our progress in resettlement is marred by a disjointedness among stakeholders at every level of operation, commencing with the split in responsibility for initial placement and subsequent social services. In many states, there is a similar rift between welfare and employment functions. In local communities, public agencies and private, voluntary agencies collaborate with mixed success, while indigeneous efforts by refugee-led organizations receive marginal support.

Clearly, no single agency or authority can orchestrate these diverse players. The challenge is, rather, to get the stakeholders to share their views and forge a more unified sense of responsibilities, interests, and identities. The NLTP is catalyzing this process by offering several forums across the country this summer. We will begin by convening the state directors of refugee programs in meetings in Philadelphia, May 9-11 and possibly San Francisco June 19-21 to probe key issues and discuss opportunities for change. An expanded number of persons, representing a cross-section of state and local leadership, will gather at a conference during September in Washington, D.C., to expand this self-organizing activity.

In our work with these stakeholders, we will share ideas and data on model programs; underutilized resources; new roles and functions--particularly in economic development and job creation; special issues in high impact areas. What may follow from these sessions, is a more concerted effort on the part of leaders who have a greater awareness and appreciation for the system they have constructed. They may opt to formalize their efforts and continue meeting in the future. They may form regional networks to pool information and resources. Or, they may adopt a variety of strategies, in accord with the distinctive needs of each state and community. In any event, we believe that these beginnings should be commended and supported, as a means to enhance the performance of refugee resettlement.

In order to strengthen and expand the network now being established, we are proposing four additional five-day regional seminars for elected and appointed state and local officals to take place during Fiscal Year 1986. At these seminars the recommendations that stem from the current series of meetings would be dealt with, and, through exchanges of information and ideas, solutions for problems currently confronting administrators and legislators can be sought. We are therefore proposing incremental funding of $100,000 for these seminars.

Father **Bradley**. I can be very brief and say that I am testifying on behalf of a program that Georgetown University runs for State refugee coordinators. We believe that State refugee coordinators and State and local officials have not been encouraged to cooperate in the resettlement problems of refugees. We received a small grant from the Office of Refugee Resettlement to begin this process. We feel that we have been quite successful, and we would like your support to continue this program.

Senator **Harkin**. What was the program funded at before? You had a grant for how much?

Father **Bradley**. $75,000.

Senator **Harkin**. This was from HHS?

Father **Bradley**. Yes.

Senator **Harkin**. What are you asking for?

Father **Bradley**. We are asking for $200,000 in the next budget.

Senator **Harkin**. You coordinate the different State activities.

Father **Bradley**. The way we approach this, in cooperation with the Office of Refugee Resettlement, we call together all of the State refugee coordinators and ask them how they think we can work to bring the State and local people into this—we have developed a jargon—the stakeholders and the refugee resettlement program. How can the stakeholders work together.

As you know, the basic division comes between those who are associated with the State Department and those who are associated with HHS. Everybody is making decisions, but nobody is consulting the State and local people who really have to deal with these refugees.

Also there is a tendency that from Washington, you treat all State refugee coordinators as if they were equal. We all know that Iowa has done a really remarkable job, nevertheless the State refugee coordinator in Iowa does not have anything like the problems that the State refugee coordinator in California, Texas, or Florida has. So the idea of treating all of these people as if they are equal, the Federal Government has not yet taken an interest in involving the State and local officials in these issues.

I don't like to preach, but I am wearing a preaching suit. We acted like the refugee problem is going to go away. Since we have had the refugee legislation in 1952, we have always acted as if this is the last time that we are going to have to deal with this. We are trying to encourage an understanding that this resettlement of refugees is something that is probably going to continue, and even if it doesn't, it won't hurt us to plan as if it will.

Thank you for your attention.

Senator **Harkin**. Father Bradley, thank you very much.

## STATEMENT OF ROSEMARY POOLER, NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

Senator HARKIN. Next we will hear from Rosemary Pooler, National Association of Regulatory Utility Commissioners.

Ms. POOLER. Senator, I am commissioner from the New York Public Service Commission. I am testifying today on behalf of the National Association of Regulatory Utility Commissioners, commonly referred to as NARUC. I am chair of the newly created Energy Conservation Committee. With me today is Karen Hockstein, director of congressional relations, and Phyllis Levine, assistant director of that office.

Since almost all the NARUC members regulate the utilities that are affected by the Low Income Energy Assistance Act of 1981, also commonly referred to as LIHEAP, the NARUC is vitally concerned with the future of this program, and we appreciate the opportunity to testify at this hearing.

My comments today will be limited to the appropriations for fiscal year 1986 for the LIHEAP Program, and I will try to be brief.

The LIHEAP Program is targeted toward relieving the burden of high utility bills of low-income persons, including the elderly and the handicapped. Funding for LIHEAP has consistently fallen short of the program's needs. We strongly urge the subcommittee to support the reauthorization of this program at $2.5 billion to assure sufficient funding and to keep the program viable.

Senator, in New York, we don't allow turnoffs during the winter months, and that period ends April 15. I have been receiving calls in my home, in my office, weekends from people in New York State who were not eligible for the program, who didn't get in under the guidelines, who are now being shut off all over the State. So this is a personal plea as well as an institutional plea from me.

We think that while LIHEAP is effective by aiding the poor with subsidies for the utility bills, the money could be better spent in some parts by putting it to use on conservation measures, such as weatherization of dwellings, rather than subsidizing perhaps unintended overconsumption by low income households.

The energy crisis might be taking a respite, but chronic overconsumption will lead the Nation right back to the times of gasoline lines and oil rationing. Today, just as in 1980, the only thing certain about the energy future is that it is uncertain and can be full of surprises.

If I could again give you an example from the State of New York. We have two white elephant nuclear powerplants being opened sometime in the next several years, Shoreham, maybe you have heard of it, and Nine Mile Point II, and they are estimated to raise utility bills in the State by something like 15 to 40 percent. That means that many more people will not be able to pay their bills. We think that, in New York at least, we are talking about crisis proportions on utility bills.

We do think LIHEAP should be furthering the national policy of conserving energy, rather than encouraging overuse of energy by subsidies. Also NARUC believes that the State and local authorities should be given greater discretion in deciding the mix between paying bills and conservation measures because we are the ones who deal directly with the problems.

There are certain features of the LIHEAP Program that we approve. We approve that LIHEAP assures that the neediest households receive preference in the distribution of assistance and we are very grateful for the 100-percent Federal funding. But we feel that the administration's recommended freeze at $2.1 billion is not enough to assure assistance for all those who need it.

Another issue that concerns us is the fact that the actual amount of new funds authorized is only $1.3 billion. The difference of $809 million is funds from the petroleum overcharge restitution fund. We strongly oppose the use of this fund to subsidize LIHEAP. Money obtained from this fund should be funneled back to the consumers who overpaid, and not for deficit reduction purposes.

### PREPARED STATEMENT

In conclusion, the NARUC respectfully urges the subcommittee to reauthorize the Low Income Home Energy Assistance Act of 1981 and to appropriate $2.5 billion to carry out this program. NARUC also urges the subcommittee to consider the long-term goals of energy conservation and require a greater percentage of the appropriation to be used for conservation purposes, rather than bill subsidies.

Thank you.

[The statement follows:]

## STATEMENT OF ROSEMARY POOLER

### Summary of Testimony on the Appropriation of Funds for the Low-Income Home Energy Assistance Program

* The National Association of Regulatory Utility Commissioners (NARUC) strongly supports the reauthorization of Low-Income Home Energy Assistance Program (LIHEAP) as well as the appropriation of sufficient funding.

* As authorized by 42 U.S.C. Sec. 8621, the Secretary of Health and Human Services is authorized to make grants to States to assist eligible households to meet the costs of home energy.

* A greater percentage of the funding should be used for energy conservation measures rather than restitution for energy bills resulting from over-consumption.

* The NARUC strongly opposes the use of the Petroleum Overcharge Restitution Fund to fund LIHEAP.

* The NARUC seeks the assistance of the Subcommittee in aiding low-income families by authorizing $2.5 billion for energy assistance and conservation.

### Introduction

My name is Rosemary Pooler and I am a commissioner with the New York Public Service Commission. I am testifying today on behalf of the National Association of Regulatory Utility Commissioners, commonly referred to as the "NARUC". Accompanying me today is Paul Rodgers, NARUC Administrative Director and General Counsel, and Karen Lee Hochstein, Director of Congressional Relations.

The NARUC is a quasi-governmental nonprofit organization founded in 1889. Within our membership are the governmental agencies of the fifty States and the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of utilities and carriers. Our chief objective is to serve the public interest by seeking to improve the quality and effectiveness of government regulation.

The members of the NARUC greatly appreciate your invitation to address the Subcommittee on the Fiscal Year 1986 Appropriations for the U.S. Department of Health and Human Services. The NARUC is particularly interested in the reauthorization of the Low-Income Home Energy Assistance Act of 1981, (LIHEAP), 42 U.S.C. 8621-29, sections 2601-2611, commonly referred to as Title XXVI, since many of our members regulate the utilities who are affected by this legislation. This program is administered by the Department of Health and Human Services, and is targeted towards relieving the burden of high utility bills of low-income persons including the elderly and handicapped. Once the LIHEAP funds are distributed among 50 states, there is so little available per state that the the States usually are compelled to use 100% of the LIHEAP funding to pay utility bills rather than pursuing conservation measures such as weatherization. Funding in LIHEAP has consistently fallen short of the program's need and we strongly support the reauthorization of this program as well as sufficient funding to ensure its continued viability.

### Subsidies: Conservation vs. Energy Bills

As State Commissioners who regulate retail electric and natural gas rates, our members are continuously aware of the burden that increasing fuel costs impose on the consumers. We are especially mindful of the hardships these increases work on the poor and elderly. Escalating energy prices affect those least able to handle such increases: the poor and persons living on low fixed incomes. National policies appropriate to crisis situations are continued in a period of respite and policies that take into account the fundamental change in the world energy situation are let slide. The result in the next energy crisis will be more punishment for the poor.

Energy complacency stalks our nation. There appears to be an attitude that the energy problem is conquered. Indicators frequently relied on as proof include downward movement in world oil prices and the current oversupply of oil stocks.

Another view, however, would indicate we are not out of the woods yet. Hostilities in the Middle East threaten oil supplies. Electricity rates increase as coal transportation costs increase due to the nation's inability to construct efficient transportation systems for coal and the current regulatory policies of the Interstate Commerce Commission regarding coal shipped by rail. All of these factors present a discomforting picture which seem to demand the implementation of policies which address the fundamental element of the problem, high usage of energy.

## The Use of Low-Income Home Energy Assistance Funds to Weatherize Dwellings of Low-Income Individuals

It is frustrating to have to point out that energy welfare too often leads to energy waste. State and local governments are not the only champions of waste through underpriced utility services. The Federal government started funds flowing for energy aid to the poor, but only to pay bills, that is, subsidize overconsumption by low-income households. Only recently have funds been made available for use on conservation measures and then only fifteen percent (15%).

It is inappropriate for utilities to get on this track after the energy is consumed. Although the poor are being benefited by reactive measures, such as bill check off systems where consumers can add an amount to their bills to help pay emergency bills for the poor, it would be more beneficial to use the funds to initially conserve energy. These progams are often administered by the Salvation Army and the public image of the Salvation Army aids the utilities, which are trying to live down their bad-guy reputations; and helps pay gas and electric bills. Nevertheless, next year's bills will be no lower than this year's, but they could be lowered by a comprehensive joint Federal-State program.

The use of LIHEAP funds for conservation measures needs to be sharply increased. In fact the mix between paying bills and putting in conservation measures should be decided at local option. Let those dealing directly with the problem employ their best strategy. This means State and local authorities should have greater discretion as to how much of their LIHEAP allotment should be used for conservation and for subsidizing payment of utility bills.

## Strengths of the Low-Income Home Energy Assistance Block Grant, and Program Areas that Need Further Development

In general, the most positive aspects of the Act are that it provides for:

1. One hundred percent (100%) Federal funding;
2. Flexibility for States to reserve funds for crisis intervention;
3. The coordination of LIHEAP activities with similar and related programs;
4. Assurances that the neediest households receive preference in the distribution of assistance;
5. Equal treatment for renters and homeowners and for persons in view of other criteria; and
6. Flexibility for States to hold up to twenty-five percent (25%) of their allotment for the current fiscal year for use in the following fiscal year.

Some areas needing further development or attention include provisions for:

1. Use of LIHEAP funds for weatherization and energy-related home repairs; and
2. Funding level.

The law might be bolstered with provisions which show some sensitivity to the needs of moderate to middle-income households.

It is important to address the fundamental problem of high usage of energy. Low-income households tend to need weatherization or conservation measures most. However, as demonstrated by current program limitations eighty-five percent (85%) or more of most states assistance funds are used to pay energy bills, much of it goes to subsidize over-consumption. Additional funding should be made available to be used for conservation measures. Conservation benefits the consumer, energy suppliers and the country as a whole.

The amount of funds authorized for LIHEAP remained constant at 1.875 billion dollars for each of three fiscal years, FY 1982, 1983, and 1984. For FY 1985, $ 2.1 billion was authorized. In FY 1986 the administration is recommending a freeze at $ 2.1 billion which includes $809 million from the Petroleum Overcharge Restitution Fund. There are no provisions made even for the effects of inflation. Consequently, in real terms less money is made available to serve the same amount of people in the last three years of the program. Most reasonable forecasts predict higher energy costs for the near term. This means that without additional funding even more people will go without assistance.

**Funding LIHEAP from the Petroleum Overcharge Restitution Fund**

Suggestions that LIHEAP could be funded using money escrowed in the Petroleum Overcharge Restitution Fund which the Department of Energy administers is an idea which would include a mechanism for guaranteeing a 2.1 billion dollar appropriation level with additional general revenue funds if needed. A Senate-White House agreement authorizes $1.3 billion and assumes $809 million from the Oil Overcharge Fund to equal the $ 2.1 billion total authorized.

The concept underlying the Overcharge Fund is to make whole those who have paid too much for petroleum products. It does not seem fair or equitable that the Overcharge Fund would be used as a substitute for general tax revenues to fund LIHEAP. The idea detracts from the national commitment to assist the energy needy and to energy conservation. If the Petroleum Overcharge Fund is used as a funding source, then any money so obtained should be used to benefit those consumers that overpaid, not for deficit reduction purpose.

## CONCLUSION

There is a growing need to lower energy usage and the most efficient way to accomplish this is to use a greater percentage of LIHEAP funds for conservation measures. It is the position of NARUC that funds should be used to prevent energy waste rather than subsidizing energy bills of low-income households that result from over-consumption. NARUC also strongly opposes the funding of LIHEAP from the Petroleum Overcharge Restitution Fund.

The NARUC respectfully requests that $2.5 million be appropriated for the LIHEAP program and that a greater portion of that appropriation be used for conservation measures.

Senator HARKIN. Thank you. I appreciate that. I have been involved in this in the past, and I know that it always struck me as being an anomaly at best that we were cutting down on the money for weatherization and increasing the amount of money to pay utility bills.

Ms. POOLER. It is the wrong policy. It really is the wrong policy.

Senator HARKIN. That money is really destroying conservation in many cases.

Ms. POOLER. That is right.

Senator HARKIN. Obviously, who gets it is the oil companies who are being paid.

Ms. POOLER. That is right, and that is the wrong national goal to do that. The national goal should be to save energy wherever we can.

Senator HARKIN. It should be to weatherize the homes. We started out on that back in the 1970's. I know that we did a fairly decent job in my State of Iowa where we had some weatherization programs.

Ms. POOLER. You had very good programs, Senator, I am aware of that.

Senator HARKIN. But it has all, basically, come to a halt because most of the money, as you pointed out, is being used to pay the utility bills, which have to be paid.

Ms. POOLER. Part of the problem is that we may have over-capacity in the Nation, and it may not be politic to conserve, but we have to remember that it is the important goal.

Senator HARKIN. There is no statutory language that says that so much has to be used for weatherization, and so much for utility bills.

Ms. POOLER. I think 15 percent is allowed, as I say in my testimony.

Senator HARKIN. Is allowed or is mandated?

Ms. POOLER. I think that it is allowed. I don't think that it is mandated.

Senator HARKIN. Up to 15 percent is allowed, but not mandated.

Ms. POOLER. That is right.

Senator HARKIN. Is that by State?

Ms. POOLER. It is for each State.

Senator HARKIN. So they don't even have to use that much for weatherization. They can use 5 percent for weatherization, and the rest for the utility bills. I think that is going in the wrong direction. We have a situation in my State also where we have a powerplant coming on line—not in Iowa, but across the State line, but the services are part of Iowa.

Ms. POOLER. I am familiar with that.

Senator HARKIN. The utility bills there are expected to go up by 30 or 40 percent. I don't know how some of the elderly and some of the poor are ever going to be able to afford that.

Ms. POOLER. I worry about that a lot, but this program at least is a start. We would hate to see it frozen because you know that would mean that we are losing money.

Senator HARKIN. That is right.

Thank you very much.

Ms. POOLER. Thank you, Senator.

## STATEMENT OF DON KENLEY, VICE PRESIDENT OF THE PHILADELPHIA GAS WORKS

## ACCOMPANIED BY TOM HENDERSCHOTT, WASHINGTON COUNSEL, PENNSYLVANIA GAS WORKS

Senator HARKIN. Next is James McKee, Philadelphia Gas Works.

Mr. KENLEY. Senator, my name is Don Kenley. I am vice president of the Philadelphia Gas Works, reporting to Mr. McKee. He was required to be in Philadelphia unavoidably last night.

Senator HARKIN. Welcome to the subcommittee.

Mr. KENLEY. Mr. McKee is chairman of the board of the Philadelphia Facilities Management Corp. PFMC is a nonprofit corporation that operates the Philadelphia Gas Works under contract with the city of Philadelphia.

I appreciate this opportunity to testify before the committee on the need for more, not less, Federal low-income energy assistance. Let me give you just a few reasons why.

More than 125,000 poor Philadelphia households lack the resources to pay their heating bills without Government assistance. Statewide, that number is approximately 800,000. This winter, Pennsylvania ran out of LIPHEAP basic grant funds on January 1, 1985, and stopped taking applications. As a result, 20,000 of our low-income customers literally were shut out of the program. An estimated 70,000 were shut out statewide.

The Governor of my State vetoed a small appropriation to serve these poor households on the grounds that any State funding would encourage the Federal Government to reduce its energy assistance funding. At the same time, the Federal Government is considering a reduction in its commitment to energy assistance with the hope that the States will fill the gap.

PGW is doing all it can to assist our low-income customers in need, but this "you do it—No, you do it" routine isn't a laughing matter either for my company or for its customers.

Given the nearly unsolvable dilemma of urban poverty with which I have become familiar, I assure you that State and local resources alone can only make a dent in the problem. We need more, not less, energy assistance for the poor. It is unwise and unfair to reduce the amount of Federal appropriations for LIHEAP assistance either directly or through the guise of substituting speculative oil overcharge funds for general revenue funds.

I have worked in the gas industry all my life. I started work with my father and grandfather in the Oklahoma oil and gas fields. I thought I had concluded my career at the Columbia Gas System, where I was chief executive of its distribution and transmission subsidiaries. I was responsible for a business with annual revenues of more than $1 billion, 2 million customers, and 4,000 employees.

I came to the Philadelphia Gas Works in September 1982 at the request of city government. PGW is the country's largest municipal utility, serving over 500,000 residential customers who reside inside the city limits. When I arrived, the company was in trouble. Its cash flow situation was bad. Nearly 200,000 customers were behind on their gas bills, and 40,000 were chronic delinquents.

I believed I could handle the problem. I thought a strict collection policy would quickly weed out a very large number of deadbeats. But the job has turned out to be a much more complicated task. Philadelphia's poverty problem, which is similar to that of other urban areas in the country, is much worse than I ever imagined.

I know there are deadbeats out there and when I find them, it gives me pleasure to shut them off, but there are fewer than I thought, and they are only a part of the problem.

I will skip over a couple of the illustrations in the testimony to be brief, and summarize on page 4.

PGW was instrumental in creating the utility emergency services fund, now the Nation's largest independent fuel assistance fund. In 2 years of operation, the fund has restored or continued service to more than 10,000 households that faced shutoff. PGW has contributed more than $1 million in bill credits to the fund.

PGW has liberal regulation for customers with unpaid bills. A customer can maintain service by paying for current usage along with a minimal amount to be applied to past arrearages.

PGW has one of the country's largest conservation and weatherization programs, serving nearly 10,000 low-income households each year.

But these efforts cannot come close to meeting the needs of all of our customers whose resources do not allow them to pay for life's necessities.

The administration has urged the private sector to help meet these needs. I want to hold down Government spending and not waste a dollar of taxpayer money, but our poor customers need every dollar that can be made available for low-income energy assistance. The current level of LIHEAP funding does not allow for adequate grants to households in need. The current level of funding for Department of Energy weatherization programs does not adequately respond to the need.

Oil overcharge funds are critically needed to supplement current Federal budget authorizations for low-income energy assistance and home weatherization. They should not be used to substitute for regular budget appropriations from the general fund of the U.S. Treasury as the administration has proposed.

Thank you for your patience, Senator.

Senator HARKIN. Thank you very much for excellent testimony. We appreciate it.

You heard my little colloquy with the previous witness about needing more money for weatherization. Would you like to comment on that?

Mr. KENLEY. We believe that there is need for that, but we believe that the two should be separated. It should not be an either/or situation. Frankly, one of our major problems in Philadelphia, when we consider weatherization, in so many cases the housing stock is so old. We are talking about renovation, and we are not talking about storm windows, or doors, when you have a hole in the roof.

Senator HARKIN. Do you have any idea what level of funding you think would be needed next year? Have you thought about that, or are you just saying that the present level is not adequate?

Mr. KENLEY. The present level is not adequate. We don't think that the level has really been tested nationally, but in Pennsylvania, we are hopeful that we are going to have the State legislature provide some supplemental funding.

Senator HARKIN. You know what you could do, you could try to figure out a procedure whereby we could more accurately determine how much money might be needed for a national pool. You would do that by building on the basis of urban areas like you have, the need that you see there, and then extrapolating that to fit other urban areas and similar kinds of situtations. I wonder if that has been done.

Mr. KENLEY. To my knowledge, no. We have funded some very extensive research in Pennsylvania, and it may be possible that we could extrapolate out of that something reasonable, or there may be some that this particular firm could develop for us.

Senator HARKIN. We would like to see it.

Mr. KENLEY. We would be happy to provide you what we have.

Senator HARKIN. Thank you very much.

Mr. HENDERSCHOTT. I am Tom Henderschott, and I am Washington counsel to the Pennsylvania Gas Works. I would like to answer your question.

When the Low-Income Energy Assistance Program was first proposed in 1979 or 1980, it was at that time estimated that a minimum of $4 billion would be required to address the problem. We have never had funding up to the current authorization level of $2.5 billion.

### PREPARED STATEMENTS

Senator HARKIN. Good enough, thank you Your statement will be made a part of the record at this point along with other statements on appropriations for the Social Security Administration.

[The statements follow:]

## STATEMENT OF THE PHILADELPHIA GAS WORKS

I am Jim McKee, Chairman of the Board of the Philadelphia Facilities Management Corporation. PFMC is a non-profit corporation that operates the Philadelphia Gas Works under contract with the City of Philadelphia.

I appreciate this opportunity to testify before the Subcommittee on the need for more, not less, federal low-income energy assistance.

Let me give you a few reasons why:

- More than 125,000 poor Philadelphia households lack the resources to pay their heating bills without government assistance. Statewide, that number is about 800,000.
- This Winter, Pennsylvania ran out of LIHEAP basic grant funds on January 1, 1985 and stopped taking applications. As a result 20,000 of our low-income customers literally were shut out of the program. An estimated 70,000 were shut-out state-wide.
- The Governor of my State vetoed a small appropriation to serve these poor households on the ground that any State funding would encourage the federal government to reduce its energy assistance funding.
- At the same time the federal government is considering a reduction in its commitment to energy assistance with the hope that the states will fill the gap.
- PGW is doing all it can to assist our low-income customers in need. But this "You do it-No you do it" routine isn't a laughing matter for my Company or its customers.
- Given the "nearly unsolvable dilemma of urban poverty," with which I have become familiar, I assure you that state and local resources alone can only make a dent in the problem.
- We need more, not less, energy assistance for the poor. It is unwise and unfair to reduce the amount of federal appropriations for LIHEAP assistance, either directly or

through the guise of substituting speculative Oil Overcharge funds for general revenue funds.

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I have worked in the gas industry all my life. I started working with my father and grandfather in the Oklahoma oil and gas fields. I thought I had concluded my career at the Columbia Gas System, where I was chief executive of its distribution and transmission subsidiaries. I was responsible for a business with annual revenues of more than $1 billion, 2,000,000 customers, and 4,000 employees.

I came to the Philadelphia Gas Works in September of 1982 at the request of City Government. PGW is the country's largest municipal utility, serving over 500,000 residential customers who reside inside the City limits. When I arrived, the Company was in trouble. Its cash flow situation was bad: nearly 200,000 customers were behind on their gas bills; 40,000 were "chronic delinquents." The Company had just received its second rate hike in 8 months and its bond rating had just dropped.

I believed I could handle the problem. I thought a strict collections policy would quickly weed out a very large number of deadbeats; people who were robbing the system and their fellow consumers. Shutting them off (together with some other cost savings measures we have been able to put in place) would quickly get the Company back to fiscal soundness.

But the job has turned out to be much more complicated. Philadelphia's poverty problem, which is similar to that of many other urban areas in the country, is just much, much worse than I ever imagined.

I know there are deadbeats out there, and when I find them it gives me pleasure to shut them off. But they're fewer than I thought and only a part of the problem.

Philadelphia's pervasive poverty is the big problem.

- There are 125,000 households in Philadelphia with incomes below the federal poverty line.

- One out of every four poor households are elderly; and one out of every three poor households is headed by a single woman with children.

Let me be specific:

- A mother with two children spending 10% of her $340 monthly income for an average amount of gas heat, after receiving LIHEAP benefits, would still need an additional $250. to pay the annual bill.[1]

It is our job, yours and mine, to find a way to assure service to that family, and many thousands of other struggling households, without unfairly burdening the remaining ratepayers.

A local newspaper described managing PGW as one of the most thankless gas utility jobs in the nation. Perhaps. But I don't take on anything that I'm not determined to do well--and to finish.

We are determined to set up a system that separates those who can pay their bills from those who can't. But, in addition, we will do all we can for those who are struggling desperately to stay afloat with inadequate incomes.

I want to tell you very briefly about some of our efforts, and then remind the federal government that it must do its fair share as well.

PGW was instrumental in creating the Utility Emergency Services Fund, now the nation's largest independent fuel assistance fund. In two years of operation, the fund has restored or continued service to more than 10,000 households that faced shut-off. PGW has contributed more than a million dollars in bill credits to the Fund. UESF was recognized by the White House as a highly successful public/private partnership.

PGW has liberal regulations for customers with unpaid bills. A customer can maintain service by paying for current usage along with a minimal amount to be applied to past arrearages.

PGW has one of the country's largest conservation and weatherization programs, serving nearly 10,000 lower income households each year.

But these efforts cannot come close to meeting the needs of all of our customers whose resources do not allow them to pay for life's necessities.

The Administration has urged the private sector to help meet these needs. The Utility Emergency Services Fund has received some corporate support, but our fund raising efforts are far too often met with the blunt statement that "energy assistance is a government responsibility."

I want to hold down government spending and not waste a dollar of taxpayer money. But our poor customers need every dollar that can be made available for low-income energy assistance.

The current level of LIHEAP funding does not allow for adequate grants to households in need.

The current level of funding for Department of Energy weatherization programs does not adequately respond to the need, as I see it every day in my job.

"Oil Overcharge Funds" are critically needed to supplement current federal budget authorizations for low-income energy assistance and home weatherization. They should not be used to substitute for regular federal budget appropriations from the general fund of the U.S. Treasury, as the Administration has proposed.

## Statement of the Council of Jewish Federations

This testimony is presented to ask your support for maintaining, in its current form, the Voluntary Agencies Matching Grant Program, a model of public/private partnership and the most cost effective federally assisted resettlement program. The President's budget for fiscal year 1986 requests a fifty (50) percent reduction in funding and further proposes the elimination of the program in FY 87. We find this request both puzzling and distressing.

The Council of Jewish Federations is a non-profit, national organization representing over 200 community Federations and many hundreds of affiliated Jewsih social service agencies around the country. These voluntary agencies provide family and children's services, vocational training and placement, educational programs, feeding programs, health care and myriad other services to Jews and non-Jews in need of assistance.

The resettlement of refugees is an area in which the Jewish community has a long and successful history. From the migration of Eastern European Jews in the early 1900s, to the desperate search for a home of those who escaped or somehow survived Hitler's hellfires, to the more recent emigration of Soviet and Iranian Jews seeking freedom from persecution and anti-Semitism, the Jewish community has always welcomed and assisted refugees. We always will.

In today's world, however, refugee resettlement is more complicated and more costly. Private agency resources are limited and strained by many pressing needs. The Council of Jewish Federations, its local Federations and agencies are committed to providing quality services to assist refugees in making the transition to American life and becoming productive members of the community. To this end, the Matching Grant Program has been invaluable.

Since October 1, 1978, when the Voluntary Agencies Matching Grant Program came into being, local community's affiliated with the CJF and HIAS (the international Jewish migration agency) have utilized the program to aid in the resettlement of more than 60,000 Soviet, other Eastern European, and Iranian refugees.

The Matching Grant Program is an itegrated, comprehensive alternative to the state administered programs of refugee resettlement and encompasses the following essential services: case management, employment services, maintenance assistance, English language training, employment training or recertification, health services, and acculturation services. It is a cost effective program for the federal government in several important ways.

1) It leverages voluntary dollars to be applied to refugee resettlement. In our case, significant dollars and in-kind match are contributed, usually about $1200 to $1300 for each $1000 of government funds. Our participation in a partnership with government helps to stimulate additional voluntary giving.

2) Once within the voluntary service system, agencies like ours take extraordinary steps to keep clients permanently away from public assistance. Many of our local affiliates make maintenance assistance and case management available to refugees beyond the four month requirement of the Matching Grant Program. These additional services are paid for with private dollars.

3) The comprehensive nature of the program, with long-term as well as short-term concerns, helps to insure quality resettlement which reduces inappropriate and excessive utilization of public assistance programs by the refugee and by future generations.

In September 1982, the Office of Refugee Resettlement released the report of a study of the Matching Grant Program conducted by Lewin & Associates. The report was highly laudatory of the program in general and of the CJF component in particular. The program clearly succeeds. People are employed; they learn English; both short-term and long-term needs are addressed. In sum, the Lewin study concluded, "overall...the Matching Grant Program proves to be an effective mechanism for providing services in a manner and to a degree which would not be possible under...the state-administered program."

Because of this report, the Office of Refugee Resettlement (ORR) solicited and encouraged other organizations to participate in the program. Church World Services and the Lutheran Council are now in the middle of demonstration projects using the Matching Grant Program. They are hoping to expand their participation.

Needless to say, the President's proposal to cut in half and then eliminate entirely the Matching Grant Program came as quite a surprise to all of the voluntary agencies. At recent hearings before the House Immigration Subcommittee, Dr. Phillip Hawkes, Director of ORR, presented the Administration's position and then, in response to a question, praised the program as being highly successful.

A final point. It is true that the numbers of refugees coming into the United States has decreased over the past few years. We at CJF and HIAS are always hopeful that there will be an increase in the number of Soviet Jews allowed to emigrate and we must always be ready for any emergency situations. Since this is a per refugee grant, the cost of the program decreases when the numbers are low and increases when they are higher. The responsibility of the federal government to assist new arrivals does not, however, diminish. Even when numbers are small the Matching Grant Program shows the commitment of both the government and the voluntary agencies to help those who come to our shores make a home here.

We urge the members of this Subcommittee to preserve the Voluntary Agencies Matching Grant Program by appropriating sufficient funds to to maintain the current policy. According to the current arrival figures, $4 million would be required rather than the $2 million requested by the President. The expenditure of $1000 per refugee is a modest investment for the federal government to make to insure that people who have lived under persecution and duress are able to find a hospitable home in this land of freedom.

## OFFICE OF HUMAN DEVELOPMENT SERVICES

### STATEMENT OF F. FILMORE MITCHELL, AMERICAN ASSOCIATION OF RETIRED PERSONS

#### PREPARED STATEMENT

Senator HARKIN. Our next witness will be F. Filmore Mitchell, American Association of Retired Persons.

Mr. Mitchell, welcome to the subcommittee. I know the person on your right fairly well, but would you introduce the person on your left.

Mr. MITCHELL. This is Jewel Reed from AARP. She is a legislative aide.

Senator HARKIN. As you can see, we have some time constraints. Your testimony will be included in the record in its entirety, and if you would summarize, we would appreciate that.

[The statement follows:]

## STATEMENT OF E. FILMORE MITCHELL

Mr. Chairman and Members of the Subcommittee, the American Association of Retired Persons (AARP) welcomes the opportunity to testify at this hearing.

As you have requested, we shall keep our statement brief. We fully recognize that our Nation must hold down spending because of the magnitude of the budget deficit. This can be achieved, we strongly believe, in an equitable manner without slashing valuable services programs for the aged, the sick, and the handicapped, especially those activities which are targeted to low-income or disadvantaged persons.

In the past, this Subcommittee has responded to the services needs of our nation in a fair and fiscally responsible manner. We commend you for your past support, and urge you to follow the same principles that have guided your actions in the past.

### A. Administration on Aging Activities

First, AARP urges that existing Older Americans Act programs under the direction of the Administration on Aging be funded at their fiscal year (FY) 1985 levels: $265.0 million for supportive services and senior centers, $336 million for congregate meals, $67.9 million for home-delivered meals, $25 million for research, training, and demonstrations, and $7.5 million for grants to Indian tribes.

These amounts are exactly the same as the Administration's FY 1986 budget request, with one exception. The Administration recommended a 50-percent cut for Title IV research, training, and demonstrations. We urge the Subcommittee to reject this proposal, and continue Title IV at $25 million. Funding for Title IV activities has already been cut substantially in recent years -- a 59-percent reduction within a two-year period, from $54.3 million in FY 1980 to $22.2 million in FY 1982.

Last year, Congress boosted the Title IV appropriation by $2.8 million, a small step forward to restore partially the sizeable reductions enacted in earlier years. A $25-million funding level is needed for a viable and effective Title IV program. Among the many valuable functions performed by Title IV are training persons to serve the elderly, promoting innovative demonstrations, searching for ways to make services more responsive to the special needs of aged minorities, and developing new methods to improve legal respresentation for senior citizens. Some of the most effective programs and concepts for the elderly evolved from Older Americans Act demonstrations, including the nutrition program, Foster Grandparents, and the Retired Senior Volunteer Program.

The Association urges that funding for services programs be continued, at a minimum, at the FY 1985 levels. These activities are the lifeblood of the Older Americans Act. Minorities account for 18 percent of all persons served under Title III supportive and nutrition services.

Nearly 215 million meals are projected to be served under the nutrition program in FY 1985 -- 153.8 million in group settings (such as a senior center) and 61.0 million for the homebound. The home-delivered meals program has enabled older persons to continue to live in their homes, rather than be placed prematurely in a nursing home. The congregate meals program not only provides a nutritious meal but also an opportunity to meet and talk with others.

Title III-B supportive services deliver the full range of community services, including information and referral, transportation, home health, homemaker, and others. Many of these services enable aged individuals to live independently in their homes.

We further recommend that the recently enacted Older Americans Personal Health Education and Training Act -- Title VII of the Older Americans Act -- be funded at $8.55 million in a supplemental appropriation for FY 1985 and at the same amount for FY 1986. Experts are increasingly concluding that personal lifestyle is the major factor influencing disease today. The Association firmly believes that effective health promotion should be given greater emphasis in preventing, or at least postponing, the onset of diseases. Title VII can be an effective tool to implement this goal and at a modest cost.

B. Senior Community Service Employment Program

Second, we recommend that the Title V Senior Community Service Employment Program (SCSEP) be funded, at a minimum, at the FY 1985 level of $326 million. This amount would fund nearly 63,400 positions for low-income older Americans in such useful community service activities as anti-pollution control, neighborhood beautification, energy conversation, and paralegal services.

By any standard of measurement, the SCSEP has been an enormously successful program. Its administrative costs have been kept at a rock bottom level. The program has operated free of fraud and abuse. It enjoys broad support within the communities it serves -- from older Americans who work under the program to the agencies and persons who are helped by Title V. Nearly two-thirds of Title V enrollees are older women. Aged minorities account for one out of every three participants.

The SCSEP also provides an effective training ground for elderly workers to move into gainful employment in the private sector. We are especially proud that the AARP Title V program ranks first in unsubsidized placements, with a 43-percent rate during the most recent year. Our experience demonstrates beyond any doubt that there are many older Americans who are ready, willing and able to work, if given the opportunity. Title V provides a means for some of the most disadvantaged persons to become a part of the mainstream of American society. In short, Title V offers a dignified opportunity for aged individuals to assist others while improving themselves at the same time.

### C. Low-Income Home Energy Assistance Program (LIHEAP)

Third, we recommend that the Low-Income Home Energy Assistance Program (LIHEAP) be funded at no less than its FY 1985 level of $2.1 billion. Heating, cooling, weatherization and energy assistance available under LIHEAP are vitally important to low-income older persons, who are especially vulnerable to hypothermia and heat stroke.

LIHEAP is expected to serve an estimated 7.2-million households this year, forty to forty-five percent of which contain one elderly member. With between 2.9 and 3.2 million older households directly benefitting from this program, LIHEAP is one of the leading sources of federal aid to lower-income older Americans. Some 38 percent of applicant households served are minorities.

Since 1978, the price of fuel oil has risen by over 100 percent, natural gas by over 110 percent, and electricity by over 72 percent. Although prices for heating fuels used most by low-income households have leveled in the past year or so, older households on low, fixed incomes have never recovered from the initial fuel price shock and subsequent increases. The current respite from energy price inflation is more than offset by continuing increases in out-of-pocket health care expenditures and cutbacks in other public benefits.

AARP does not support the Administration's proposal to finance a portion of LIHEAP through oil overcharge fees pooled in a yet-to-be-created Petroleum Overcharge Restitution Fund (PORF). Most of the funds in question are still tied up in litigation, and counting on their availability to compensate for a reduced appropriation for LIHEAP could jeopardize the program and the low-income older persons who depend upon it. Should the funds fail to materialize, LIHEAP would be cut by over one-third -- or some $810 million would have to be recouped from other programs under the Committee's jurisdiction. The Association urges that LIHEAP be funded entirely out of general revenues for FY 1986.

### D. Social Service Block Grant (SSBG)

AARP strongly supports the Administration's request for a $2.7-billion appropriation for the Social Service Block Grant (SSBG). Supportive services are critically important to older Americans. Any aged individual who suffers the loss of income, mobility, health, or significant relationships faces a higher risk of decline and institutionalization, but for low-income individuals, options dwindle and the risk becomes acute. Services funded by SSBG, such as homemaker/home chore, adult day care, home delivered meals, and transportation, help to maintain self-sufficiency and to keep older persons from being forced into restrictive forms of care that they neither need nor desire.

Demand for social services is growing, both in urban and rural areas. In a recent survey of the nation's principal cities senior services headed the list of types of services for which demand had increased. The SSBG is the one federal program that attempts to fill these service gaps for low income persons; AARP believes it should be fully funded.

## E. National Institutes of Health

The Association is also deeply concerned about proposed reductions for biomedical research at the National Institutes of Health. This could seriously undermine longstanding research plans. Moreover, it could impede progress in combatting diseases which afflict our population.

AARP strongly believes that an investment in biomedical research will pay handsome dividends in the future. We, therefore, urge the Subcommittee to oppose (1) reductions in NIH research grants and (2) arbitrary limitations on the number of research centers funded through the various institutes.

## F. Conclusion

Again, we thank the Subcommittee for the opportunity to present the Association's views. We believe our proposals are realistic, given the present budgetary constraints. We urge the Subcommittee to adopt these recommendations.

## SUMMARY OF THE RECOMMENDATIONS BY THE AMERICAN ASSOCIATION OF RETIRED PERSONS

## A. Administration on Aging

1. Administration on Aging programs should be funded at the FY 1985 levels: $265 million for supportive services and senior centers; $336 million for congregate meals; $67.9 million for home-delivered meals; $25 million for research, training, and demonstrations; and $7.5 million for grants to Indian tribes.

2. The Title VII Older Americans Personal Health Education and Training Act should receive an $8.55 million supplemental appropriation for FY 1985. It should be funded at the same amount for FY 1986.

B. Senior Community Service Employment Program

Funding should be at least at $326 million, the same amount as in FY 1985.

C. Low-Income Home Energy Assistance

LIHEA should receive at least $2.1 billion, the same amount as in FY 1985.

D. Social Services Block Grant

AARP supports the Administration's request for $2.7 billion.

E. National Institutes of Health

The Subcommittee should oppose (1) reductions in NIH research grants and (2) arbitrary limitations on the number of research centers funded through the National Institutes of Health.

Mr. MITCHELL. Mr. Chairman, and members of the subcommittee; as you know, I am E. Filmore Mitchell, a volunteer with AARP, and a member of the National Legislative Council of that organization.

We welcome the opportunity to testify at this hearing. As you requested, we will summarize a great deal of it.

The AARP recognizes that we are in a very difficult situation with the budget constraints, and we are not asking that you spend a great deal, but we do hope that you can be equitable in the amount of slashing, and not slashing the services programs for the aged, the sick, and the handicapped, especially those activities that are targeted for low income and disadvantaged persons.

This is the way that we want to summarize it with respect to the Administration on Aging. The program should be funded at the fiscal year 1985 levels of $265 million for supportive services for senior centers, $336 million for congregate meals, $67.9 million for home delivered meals, $25 million for research, training, and demonstrations, and $7.5 million for grants to Indian tribes.

We would particularly stress our opposition to the administration's proposed 50-percent cut in title IV research, training, and demonstrations. Funding for these activities has already been cut substantially in recent years, and the current level of $25 million is needed for a visible and effective program.

The title VII Older Americans Personal Health Education and Training Act should receive $8.55 million in a supplemental approval for fiscal year 1985, and it should be funded at the same amount for fiscal year 1986.

Title V, the Senior Community Service Employment Program, we recommend that it be funded at a minimum at the fiscal year 1985 level of $326 million. This amount would fund nearly 63,400 positions for low-income Americans in such useful community service activities as antipollution control, neighborhood beautification, energy conservation, and paralegal services.

The Low-Income Home Energy Assistance Program should receive at least $2.1 billion, the same amount as in fiscal year 1985. AARP opposes the administration's proposal to finance a portion of the energy program through the overcharge fees. Most of the funds are still tied up in litigation or administrative proceedings, counting on their availability to compensate for reduced appropriations for LIHEAP could jeopardize the program and the low-income older persons who depend on it.

For the social services block grant, the association supports the administration's request for $2.7 billion. In regard to the National Institutes of Health, AARP urges the subcommittee to oppose reductions in NIH research grants, and an arbitrary limitation on the number of research centers funded through the National Institutes of Health.

In the past, the subcommittee has responded to service needs of the Nation in a fair and fiscally responsible manner. We commend you for your past support, and count on you to follow the same principles that have guided your actions in the past.

Finally, we urge you to adopt the recommendations we have outlined today, which we believe are realistic, given the budgetary constraints. We will be happy to answer any questions which you may have. We thank you very much for this opportunity.

Senator HARKIN. Mr. Mitchell, thank you very much for your testimony.

I want to compliment you on your work, especially the American Association of Retired Persons' outstanding organization, one that has done remarkable work for the elderly in this country. I have seen its effects in my own State of Iowa, and I have seen it nationally. What I want to tell you is to keep up the good work, and keep giving us the kind of good and solid information and data that you have acquired over the past year to help us make our decisions here.

Mr. MITCHELL. Thank you, sir. Surely, we will.

Senator HARKIN. I know you will, and I know we are going to do whatever we can to make sure that we keep the funding levels at the appropriate level to meet the needs of our elderly, and to make sure that more and more of them aren't pushed below the poverty line.

We thank you very much.

## STATEMENT OF TOM HICKEY, PH.D., CHAIR, PUBLIC POLICY COMMITTEE, THE GERONTOLOGICAL SOCIETY OF AMERICA

### PREPARED STATEMENT

Senator HARKIN. Our next witness is Dr. Tom Hickey. Dr. Hickey is the chair of the Public Policy Committee of the Gerontological Society of America.

Dr. Hickey, welcome to the subcommittee. As you know, your statement will be made a part of the record, if you could summarize it, we would be most appreciative.

[The statement follows:]

## Statement of Dr. Tom Hickey

Chairman Weicker and distinguished members of the Subcommittee, I am Tom Hickey, Dr.P.H., Director of the Health Gerontology Program at the University of Michigan and Chair of the Public Policy Committee of The Gerontological Society of America. The Gerontological Society is the national, scientific organization of researchers, educators, and other professionals in the field of aging. Founded in 1945, the Society now serves 5900 members around the world and includes many outstanding scientists in the field of biology, clinical medicine, the behavioral sciences, and social research, policy analysis and planning. A major concern of the Society is the development and application of knowledge in all aspects of aging.

My testimony today is on behalf of the Gerontological Society and is directed specifically to the FY 1986 budgets for the National Institute on Aging, the National Institute of Mental Health - Center on Aging, and the Administration on Aging.

### SUMMARY OF MAJOR POINTS

The main points I wish to make today are:

- The number of older people in this country, particularly those 75 years and older, is growing rapidly.
- With the aging of this nation's population, we can expect to see further escalation of health care costs.
- Investments in research and training hold great potential for reversing this trend toward skyrocketing health care costs.
- Research has proven to be a cost effective investment. Studies have shown that the rate of return of every dollar invested in medical research is $13. (Muskin Report, 1975)
- Successful treatment of Alzheimer's, for example, could help decrease the demand for social services and institutionalization, and improve the quality of life for countless other individuals. Physicians trained in geriatrics could also help lower the current 10-30 percent misdiagnosis rate for senile-dementia-type patients.
- In the area of incontinence, improvements could notably reduce the nursing home population and permit families to directly care for their incontinent dependents for a longer period of time (Office of Technology Assessment).
- Mental health interventions to reduce the length of hospital stays can also have a substantial impact on lowering health care costs.
- **If research and education efforts have no more than a 5 percent impact on nursing home admissions over the next 20 years, the total reduction in expenditures for nursing home care, using conservative estimates, would be $1.125 million per day.**
- The research, education, and training programs of the National Institute on Aging, the National Institute of Mental Health, and the Administration on Aging provide important opportunities for addressing these major and costly health problems. We are therefore recommending modest increases for each of these programs.

- This is an important investment in the future -- a future in which the growth in health care costs would be less than what we are projecting today and a future where the quality of life for the elderly, today's younger and middle-aged, will be better.

## WHAT A MINIMAL INVESTMENT HAS PRODUCED TO DATE

With a federal investment of less than $1.5 billion in the last three decades, geriatric/gerontological research and training programs have yielded some important findings.

In recent years, geriatric/gerontological research and training efforts have:

- Identified a metabolic defect in Alzheimer Disease which might have implications for improved diagnosis in living patients. If, as the research seems to indicate, decreased synthesis results in the chemical changes and brain cell death characteristic of Alzheimer Disease, then we are possibly one step closer to finding out what causes this debilitating illness and how to lessen its effects.
- Uncovered clues as to how and why nerve damage occurs in diabetes mellitus, among the most common chronic disease diagnosed in the elderly. Understanding this process may result in measures to avoid many of the devastating complications of diabetes.
- Shown that even in nursing homes, dependent and unhappy patients can recover a degree of independence when their daily activities promote self-care, interaction with others, and a sense of control.
- Demonstrated that adequate blood pressure control can bring about substantial reductions in mortality from cardiovascular disease among persons with higher-than-normal blood pressure. Further, behavioral training techniques have been shown to be successful in reducing high blood pressure.
- Shown that vigorous exercises reduces certain heart disease risk factors.
- Found that in persons who are free from any evidence of heart disease there is no significant decline in maximum heart capacity with age.

## GROWING IMPLICATIONS OF HEALTH CARE

In discussions of the federal budget in recent years, the deficit clearly has been the overriding concern of Congress. An important part of these discussions has been rising health care costs, which continue to outpace the rest of the economy, growing -- until recently -- at twice the rate of inflation (Aging America, Senate Special Committee on Aging). In 1983, $102.7 billion (approximately 12 percent) of the federal budget went to pay health care costs. Nearly 70 percent of this was spent on the elderly, with $8.1 billion going toward nursing home costs alone.

With projections indicating that by the end of this century one-fourth of the total U.S. population will be at least 55 years old and one out of seven Americans will be 65 years of age or older, health care costs can only be expected to increase. Of particular importance is the fact that the number of people aged 75 years and over, the age group requiring the most health care, is the fastest growing segment of the population.

Technological advances have resulted in major improvements in health care and in significant gains in life expectancy. This, in turn, has meant that there are increased numbers of older persons at high risk for developing certain chronic diseases. With more people living longer and the delayed onset of fatal complications from disease, we also are now seeing chronic diseases of longer duration.

A number of proposals have been considered or adopted to address escalating health care costs (e.g., Diagnostic Related Groups). However, the cost savings from these measures do not begin to approach those that potentially can be achieved through research and training efforts. One need only look at the incidence of chronic diseases that are particularly prevalent among the elderly and the costs of those diseases to understand the important role that research, education, and training can play:

Each year 1.3 million people, of which one million are elderly, will spend time in nursing homes. For each older person in a nursing home, there is one at home with equal disability (National Institute on Aging).

- The Health Care Financing Administration estimates that the federal government spends over $20 billion dollars a year in nursing home costs. Alzheimer Disease, incontinence, and osteoporosis are among the leading reasons for nursing home admissions.

Alzheimer disease affects 5-15 percent of those over age 65 (currently 1.2 to 4 million Americans), and accounts for an estimated 30-50 percent of those entering nursing home (Office of Technology Assessment).

- The National Institute on Aging estimates that Alzheimer Disease costs this country $28 billion annually.

Between 10-20 percent (2-4 million) of those elderly living in the community have some degree of incontinence. The prevalence increases to between 40-50 percent in those elderly in nursing homes (600,000-700,000). (Office of Technology Assessment)

- The U.S. Surgeon General has estimated that the United States spends $8 billion a year on incontinence. Incontinence adds between $3-11 to the daily cost of caring for a nursing home patient.

The elderly also account for the highest prevalence of mental disorder of any adult age group. Psychopathology of most types increases with advancing chronological age. It is estimated that between 56-80 percent of the 1.4 million nursing home population in the U.S. have chronic mental conditions.

In addition to the costs of chronic illness and mental disorder in terms of hospital care, long-term care, and rehabilitation, the social cost to the individual and his or her family, which is substantial although difficult to measure, must also be considered.

These figures represent the current incidence and cost. As the population of this nation ages, we can only expect these diseases, absent discoveries of ways to prevent or cure them, to become more prevalent. By 1990, the nursing home population aged 65 years and older is expected to reach nearly 1.7 million, and annual nursing home costs, the fastest growing segment of health care expenditures, are projected to increase to $76 billion (The Need for Long-Term Care: Information and Issues, Federal Council on Aging). By the middle of the next century, the nursing home population is expected to reach 5.4 million (Aging America, U.S. Senate Select Committee on Aging).

As the elderly population and its demand for services expand, so does the need for persons with knowledge and skills in planning and delivering services to the elderly and for trained researchers and scientists to discover more effective and efficient ways to deliver services and to devise improved methods of prevention and care for the aging and aged. Discovering how, why, and under what circumstances age-related declines may be prevented, reversed, or ameliorated could have a significant impact on the costs of health care and dependency, as well as add to the quality of life of the older persons and his/her family.

## FY 1986 ADMINISTRATION PROPOSAL AND ITS IMPACT

In the past, Congress has demonstrated an understanding of the importance of research and training through its support of the National Institute on Aging (NIA) and the National Institute of Mental Health (NIMH). However, following an encouraging increase in funding in FY 1985, the budgets for these programs would be significantly reduced in FY 1986 by the Administration's proposed budget. FY 1985 funds for NIA are also in jeopardy, as monies appropriated for that year would be used under the Administration's proporsal to forward fund multi-year projects, reducing the available funds in 1985 for new starts.

The Administration's FY 1986 budget for the Administration on Aging's Title IV program is $12.5 million, a 50 percent reduction from FY 85 appropriations.

The Admininstration proposals would deliver a severe blow to aging-related research and training programs. They come at a time when these programs are beginning to make major advancements, as highlighted earlier.

With regard to geriatric training, cutbacks are being made in spite of the fact that there is a known shortage of health and mental health professionals trained in the care of the elderly. Faculty and investigators with special preparation are in short supply with estimates ranging from 5-25 percent of the number required in various fields. A recent report from the Department of Health and Human Services estimates that a total of 2,000-2,600 physicians and other academic investigators will be needed by the year 2000. If NIA's training programs continue at their same levels, we can expect a shortfall of about one-half the projected need in the year 2000.

In the area of mental health, it is well-known that the elderly have the highest prevalence of major mental illness. In 1978, only one specialty program in geriatric mental health existed in the United States. Since that time, the Center for Studies of the Mental Health of Aging at NIMH has made great headway in increasing the number of trained researchers, faculty, and clinicians in this area.

The drastic reduction (50 percent) being proposed for Title IV (OAA) would render this program virtually inoperable. It would represent a 77 percent reduction from the FY 1980 funding level. In contrast to the research undertaken by NIA and NIMH, research under Title IV is related to program development, planning and policy and the social and health problems of aging described in the Older Americans Act. This is the primary source of basic knowledge required by AoA in carrying out the legislative mandates of the Act. The reductions are being proposed at a time when there is an increased, not decreased, demand for services and trained personnel to plan, administer, and deliver these services.

## GSA FUNDING PROPOSAL

The Gerontological Society of America recommends the following FY 1986 funding levels:

(1) The National Institute on Aging - a total of **$164.8 million**, only a 14 percent increase over the current year budget. The increase would allow:

- for the expansion of support for the Alzheimer Disease centers. (+$5 million over FY 1985)
- for an increase in the funding for research on the oldest-old population. (+ $3 million over FY 1985)
- for growth in efforts to apply new techniques in molecular biology to the study of aging. (+ $2 million over FY 1985)
- for modest expansion in the research efforts in the area of maintenance of health and effective functioning in the middle and later years. (+ $2 million)
- for strengthened training and research career development in gerontology and geriatrics. (+ $3 million over FY 1985)
- for extending the research bases in geriatrics. (+ $3 million over FY 1985)
- for additional research in the area of gender differences. (+ $2 million over FY 1985)

(2) The National Institute of Mental Health, Center for Studies on the Mental Health of Aging - a total of **$19.6 million**. The increase would allow:

- for expansion of the research base in mental health and aging (+ $3.1 million over FY 1985)
- expansion of the research training efforts (+ $200,000 over FY 1985)
- strengthened clinical training program (+ $2.1 million over FY 1985)
- funding of initiative authorized under the Alcohol Abuse, Drug Abuse, and Mental Health Amendments in 1984. Planned areas include: chronicallyl mentally ill elderly, Alzheimer's disease, mentally ill in nursing homes, acute behavioral disturbance. (+ $3 million over FY 1985)

(3) The Admininstration on Aging, Title IV - **$25 million**, representing a 13% increase over FY 1985 levels, but still considerably less than 1980 funding levels ($50.4 million). This funding level would allow:

- for support for research and demonstrations including: (1) establishing, in cooperation with other agencies, an on-going demographic data base providing information on the elderly population by age grouping, sex, race, geography, and other such categories deemed important to public policy needs; (2) identifying and projecting needs of older Americans; (3) determining the kinds and levels of programs needed to meet those needs; and (4) determining the kinds and numbers of personnel that will be required to meet those needs.
- for preparing an increased number of qualified faculty to teach gerontology.
- for the development of specific educational materials to improve curricula in gerontology.
- for the collection and analysis of data concerning the status of teaching and practice in gerontology.
- for the development of re-training and continuing education opportunities concerning gerontological issues.
- for expanded support for special educational facilities such as the Aging Policy Centers and the Long-Term Care Gerontology Centers.
- for expanded support for activities directed toward addressing the lack of personnel trained to meet the community service needs of racial and ethnic minority elderly.

Mr. HICKEY. Thank you, Mr. Chairman.

I am a professor at the School of Public Health of the University of Michigan, and the director of the Health Gerontology Program there. As you noted, today I am representing the Gerontological Society of America and its interests in research and training on aging.

My own experience along this line has been in training clinicians for administrative positions in the health field and doing research related to how do older people deal with their chronic impairments.

Our specific recommendations on budget amounts for the National Institutes on Aging and Mental Health, and the Administration on Aging are found in the final three pages of our prepared testimony and I won't repeat that.

I would like to make a couple of comments related to the impact of this area of research, which is an important area of research.

First of all, let me point out that I find 1985 a very significant year for our field since it marks the 20th anniversary of the passage of the landmark centerpiece legislation for aging, representing our national commitment in the Older Americans Act, and of course in Medicare and Medicaid.

For me personally, it marks 20 years in this field. I know that without the training incentives and the research funds in the late 1960's, I undoubtedly would not be sitting here today.

One of the things I also note, and I have noted over the last 20 years, is that it is unfortunate that it is so often the publicity that surrounds the high cost of long-term care, and some of the problems involved in organizing long-term care that tend to overshadow the very significant developments that we have made as a consequence of our research in aging around the United States.

Most of what is in the textbooks that we teach our students today was not there when I was a student. It represents basically new information that is a consequence of our commitment to research, and the national commitment to research.

Let me point out a couple of key areas which I think you can probably relate to, the areas of incontinence and dementia. The research funding that we are urging your continued commitment to represents an important commitment to these two areas.

As I am sure you know, incontinence and dementia, particularly dementia of the Alzheimer type, are the two conditions that are most likely to precipitate institutionalization and, therefore, increase cost of care taking of older people.

At the University of Michigan, we have one of the major endeavors underway in studying incontinence behavior, and as a consequence of support from the National Institute on Aging, we have been able to develop a computerized assessment technique which virtually eliminates human error in diagnosing the cause of the incontinence.

We found in the research clinic that 60 percent of the samples have large amounts of urine loss on a regular basis; 78 percent have been untreated; and perhaps the most surprising finding is that stress incontinence, rather than urging incontinence is found among elderly women, the difference here being that from the point of view of being efficacious in treating that exercise and medications, and other types of treatment, minor surgery, can be used to treat this.

What I am saying, in essence, is that for a number of years, we have been making erroneous assumptions about incontinence as being a so-called incurable disorder. I am simply recommending that, based on the demand that comes from all over the Midwest, including demands from your own State, for assistance with the problem of incontinence from our people——

Senator HARKIN. Having worked in nursing homes, I know exactly what you are talking about. You are saying that it can how?

Mr. HICKEY. It can be treated with surgery, and with medications, and with exercise. One of the functions of our incontinence clinic has been to teach people how to use exercise. It is too early in collecting the data to determine how effective that will be with how many people, but there has been a rapid turnaround with a number.

Senator HARKIN. You used two words, stress incontinence, and what was the other one?

Mr. HICKEY. Urge incontinence, and urge incontinence would refer to time span involved between recognizing that there is a need for voiding and the opportunity to get there. Stress incontinence is usually related to muscle relaxation, and problems such as overexertion or laughing too strenuously, or something along that line.

Senator HARKIN. Has there been much research into the medications that people take? I suppose it has something to do with muscle enhancers, or something like that. Has there been much research into that?

Mr. HICKEY. That research is only beginning, and I would think that considerable additional research will be needed along that line.

Senator HARKIN. I am sorry for interrupting you, I just wanted to get that cleared up. Please proceed.

Mr. HICKEY. I simply wanted to identify a key area. As I said, the major recommendations are in the testimony.

I think that it is very easy to look at the administration's recommendations, for example, for the NIMH and see that there is a 55-percent reduction in training. Yet we can look at the elderly and see a very high incidence of depression, suicide, and alcoholism. It is very clear from national surveys that without some type of incentives that social workers and nurses, and others, are not going to work with the elderly. It is not a desirable field from their professional perspective.

I simply encourage you and urge you to continue your long-standing commitment to the biomedical and social research agenda in aging.

Senator HARKIN. Dr. Hickey, thank you very much. I enjoyed that.

## STATEMENT OF PAUL SHEPHERD, ASSOCIATION FOR GERONTOLOGY IN HIGHER EDUCATION

Senator HARKIN. Next is Paul Shepherd, Association for Gerontology in Higher Education.

Mr. SHEPHERD. Good afternoon.

I come before you as the public policy chair of the Association for Gerontology in Higher Education. Our organization represents approximately 250 universities and colleges that offer gerontology education.

Senator HARKIN. How are you connected with the previous organization?

Mr. SHEPHERD. That is the Gerontological Society of America, which is an individual membership organization. We have a lot of overlap between the two, needless to say.

Senator HARKIN. I understand.

Mr. SHEPHERD. In the interest of time, I am just going to highlight my comments and submit the written testimony for the record.

There are certain issues I would like to highlight for you today. I am here to testify not only on behalf of the Older Americans Act's commitment to research and education, but as well to the National Institute on Aging, and the National Institute of Mental Health's Center on Aging.

Research, education, and training have been an important component of the Older Americans Act since its inception in 1965. A brief review indicates that a large percentage of the resources originally allocated to the Older Americans Act was in fact allocated for the purposes of research and training, approximately 25 percent.

Obviously, that percentage has decreased as the resources have been increased in the Older Americans Act, but the commitment has maintained steady over the years. In the last 5 fiscal years, we have seen a reduction in the Older Americans Act title IV funding in excess of 60 percent. On the other hand, we have seen research in other areas increased over the last 5 years.

We are here to urge this committee and the subcommittee to reject the administration's proposal of cutting again title IV of the Older Americans Act from $25 million to $12.5 million. We recommend the full funding level of $25 million consistent with the AARP's testimony, and with the Gerontological Society of America's testimony.

I would just note that if title IV had kept track with inflation since its original allocations, allocations would currently be at a level of over $60 million. So the $25 million is modest.

We are not recommending that that $25 million be allocated at the expense of service programs in the Older Americans Act. We strongly recommend sufficient funding for all programs within the Older Americans Act.

Another important program for training and research and education is the National Institute of Mental Health's Center on Aging. We are recommending an appropriations level of $19.6 million for the National Institute of Mental Health's Center on Aging, and this supports research and training, and the clinical training that they do there is a very important aspect.

Senator HARKIN. How much was it last year?

Mr. SHEPHERD. I honestly don't know that figure, but this does not recommend a substantial increase.

I would just call your attention to some of the areas that they work in, and that does include causes and treatment and prevention of Alzheimer's, senile dementia, depression, and many other areas, which obviously are significant to our older population.

We are also recommending that a significant allocation be appropriated for the National Institute on Aging. The National Institute on Aging, obviously, has made great strides in the last decade and before in terms of meeting the needs of older persons, both in terms of social dimension and biomedical dimensions.

We recommend a funding level of $164.8 million for NIA be appropriated in fiscal year 1986, and this does represent a substantial increase. I do not have, unfortunately, the statistics for last year.

In terms of general commitment to research and education, I would like to call attention to my own experience. I was formerly the director of an area agency in a rural area of Maryland where I currently live on a farm. One of the things that I discovered was that staff, particularly in rural areas, had vastly insufficient education for meeting the needs of older persons.

Our staff would have a tendency to view older people as those poor people in need, and completely disregard the need to maintain their dignity. If there is anything we want to do, as educators and researchers, is to create systems that put out staff out there that make you and I, when we grow older, dignified and respected members of the community, and at the same time addressing our needs.

If we do not have funding for education, training, and research in gerontology, we will continue to have staff who have a tendency to administer to as opposed to build upon the dignity of older people. Our staff of over 100 people was terribly insufficient in that, and only because of programs that existed at the University of Maryland, funded through title IV of the Older Americans Act, did we turn that around.

In summary, I am recommending that the Congress appropriate $25 million for the title IV of the Older Americans Act, consistent with last year's allocations, that funding at $19.6 million be provided for the National Institute of Mental Health's Center on Aging, and that the National Institute on Aging be funded at a level of $164.8 million.

Thank you.

### PREPARED STATEMENT

Senator HARKIN. Thank you very much for your testimony. We appreciate it.

[The statement follows:]

## STATEMENT OF PAUL SHEPHERD

Chairman Weicker and distinguished members of the Sub-Committee, I am Paul shepherd, Director of the Institute for Gerontological Practice at the University of Maryland and Chair of the Public Policy Committee of the Association for Gerontology in Higher Education. This testimony is presented on behalf of this Association. AGHE is a professional membership organization of over 250 institutions of higher education that conduct research and provide education and training in the field of gerontology. My remarks are directed toward the proposed FY 1986 budget for Title IV of the Older Americans Act, the National Institute of Mental Health Center on Aging, and the National Institute on Aging. I thank you for this opportunity to testify before this committee. In the interest of time, I shall highlight the critical issues facing gerontological education and training, and ask that you accept my written testimony for the record.

Research, education and training have been important components of the Older Americans Act since its passage in 1965. Title IV funds provide support for a wide range of activities such as the gerontological career preparation program, research and development activities, demonstrations and model projects, legal services for the elderly, the minority internship program, long-term care gerontology centers and training, national policy study centers, state education and training. These programs include the following:

a. the Career Training Program, the major impetus for developing and supporting training leading to specific careers in gerontology and aging services, the major source of both institutional and faculty development funds in gerontology, the basis for the development of gerontology centers, and a major source of support for continuing education of professionals who need on the job training in gerontology;

b. the Long-Term Care Gerontology Centers, intended to become a focal resource point and center for training with one located in each federal region, focused upon community based care for the chronically ill and functionally disabled older persons, intended also to conduct applied and policy based research;

c. the Minority Institutions Programs, which support increasing the institutional capabilities in gerontology at historically black colleges and universities, special programs for minority management and research training;

d. Research and Demonstration, supporting projects related to the goals and objectives of the Older Americans Act.

There was a recognition by Congress from the beginning of the Older Americans Act that research was a necessary component of service design and that adequately trained personnel were imperative to realistically and effectively implement those services. The importance attributed to these functions can be seen by past allocations by Congress for these purposes. In 1966, for example--the first year of allocations for the Older Americans Act--23% of the total budget was set aside for training and research. As funding for the Act increased, appropriations for education, training and research kept pace, so that in 1972 we find 22.3% of the Older Americans Act allocations made for these purposes. The Peak year of funding for Title IV was in 1980. That year Title IV allocations amounted to $54.3 million, illustrating the commitment by Congress to insuring productive, effective programs for the aged through sound research and adequately-trained personnel.

I am here to urge this Sub-Committee not to abandon this important commitment. This Association recommends that funding for Title IV of the Older Americans Act research, training, and education projects be maintained at the FY 1985 level of $25 million in FY 1986. This level represents a modest, fiscally responsible approach to the maintenance of Title IV as a viable component of the Older Americans Act. I should remind this body that if Title IV appropriations had simply kept pace with inflation over the last 13 years, current funding would now be in excess of $60 million. Although we recommend this continued funding level of $25 million, we share with members of the Senate the concern that these funds be used as Congress intended and to the benefit of our nation's elders, and therefore pledge our assistance in the monitoring of their use. We strongly urge that dedicated researchers and educators in gerontology not be pinalized for actions over which they exercise no control.

This Association vigorously opposes the President's proposed allocation of $12.5 million for Title IV for FY 1986. This Administration has already cut Title IV by 59%, not through the elimination of waste and fraud, but through the outright elimination of important education, training and research programs.

Let me emphasize at this point that our position is that an allocation of $25 million for Title IV should not be granted at the expense of other provisions within the Older Americans Act. We are not asking that Congress rob Peter to pay Paul, or take funding away from direct service programs to support these discretionary programs. We view trained personnel and research as adequate services as essential to improving the lives of older Americans. Education and research should be viewed as complements to direct services, not as competitors. Indeed, the Older Americans Act is structured to reflect these complementary functions. We are therefore strongly recommending adequate funding levels for all aspects of the Older Americans Act.

Another important gerontological research and training program is the National Institute of Mental Health's Center on Aging. It is our recommendation that $19.6 million be appropriated to the National Institute of Mental Health to support research and clinical and research training. The current programs of the NIMH Center on Aging include research and training in the following areas: causes, treatment, and prevention of Alzheimer's Disease, Senile Dementia, and Depression (including the relationship of depression to suicide and alcoholism); Psychopharmacology; alcohol and drug abuse; the interface of physical illness and mental disorder in later life; chronically mentally ill elderly; treatment intervention and service delivery models for the elderly; effects of families, support systems, and self-help groups on the care of older persons with significant mental disorders. The training programs are specifically focused upon: (1) clinical psychologists, (2) psychiatrists, (3) psychiatric nurses, and (4) social workers. While we have no objections to these specific disciplines, we recommend the inclusion of mental health and gerontology content for other disciplines, given the prevalence of mental health problems among the aged and the research evidence that the older segment of the population is critically underserved in mental health. The record of the Administration would indicate that they are committed to the elimination of clinical training in all mental health areas including training for and about the aged. We urge you to reject these moves.

While the funding levels we recommended for Title IV and for the NIMH Center on Aging are in effect to maintain these programs at approximately current levels, in the case of the National Institute on Aging we recommend a greater increase. It is our recommendation that a funding level of $164.8 million for NIA for FY 1986 be appropriated. The range of activities of the NIA are too comprehensive to be more than highlighted in this testimony; greater detail has been provided in the Director's testimony to this Committee. The NIA provides research and training ranging from molecular biology to social and behavioral research and demographic and epidemiological studies. Specific program emphasis has included Alzheimer's disease, lengthening life expectancy, maintaining helath and functioning in later years, nutritional studies, cognitive aging, biosocial aging and health, older people and society, and clinical medicine. The rapid progress which NIA has made in the area of neuroscience and aging and the potential of this research for preventing and treating various forms of dementia are profound. We are recommending an increase for three reasons. First, the increase would permit NIA to pursue a number of their priority areas such as Alzheimer's disease, research on the "old old," research on effective functioning in middle and late years, molecular biology genetics research, the research and training career development, research in gender differences, and research careers program. Secondly, discipline-based faculty training and basic knowledge and information about the aging process are likely to come from the programs developed by NIA. It is this type of training which will provide the faculty to teach the professionals who will, in turn, provide direct service to older persons, and it is this type of research which provides the information and explanations of the aging process which will be used in the textbooks by these faculty. The third reason is that the increased research funds for NIA partially offset the deficits and reductions of research funding in a variety of other federal programs.

In relation to all three of the funding recommendations there are two major points which should be stressed. The first is that a present investment in research and training is a wise choice because the programs are beneficial and cost effective. The second is that the present and future need for trained personnel is acute and necessitates major expenditures.

As the former Director of Planning for a rural five county area agency on aging that employed no one with formal gerontological training, I can testify to the destruction of indivudual lives that can occur by programs based upon ill-conceived and incorrect assumptions about aging. I can further attest to the needs that went unmet in our community because of a lack of understanding of the issues faced by our older adults and by a lack of sensitivity to issues of pride. Older persons were treated as children and as poverty cases. This was largely the result of naive and ill-conceived ideas of the aging process by staff. Our rural area agency on aging changed its approach only after a substantial investment in staff training, training provided by institutions such as the University of Maryland. If adequate support for education, training and research cease to be provided, area agencies and direct service providers will have no resources for the crucial needs of staff training. Rural service planners and providers will be particularly hard hit.

The future needs for trained personnel in aging, especially in the professional areas, are well documented. Recent research on graduates of Master's Degree programs in Gerontology indicate a very high demand for and placement of students from these programs; in fact, a study by David Peterson of the University of Southern California indicated that over half of the graduates from these programs held positions with administrative responsibilities, even though their interest was more in direct service. A survey of graduates of the Wichita State program found that 90 percent of the Master's Degree program graduates were employed in aging positions within six months of graduation.

In a study commissioned by the AoA (Ketron), the career preparation program was found to deliver a very high level of training for the dollars expended. These programs have also shown a high level of spin-off activities and the effectiveness of federal dollars in attracting other funds from states, universities and the private sector. The Institute for Gerontological Practice, which I currently direct at the University of Maryland, is an example of such a spin-off. Originally modestly funded by AoA, the Institute currently trains over 300 gerontological practitioners annually with no federal support, and has over the past five years trained in excess of 1,500 persons. The program, as a result of initial AoA support, has been so successful that the University has provided two line positions for the purpose of administring the program.

The success of our program was possible only because the federal government was willing to make the initial investment to encourage the development of the program and to sustain the program so that we had time to demonstrate to other funding sources, including our state legislature, that the program worked and was worthwhile. The University of Maryland and the other AGHE member institutions with fully developed programs cannot meet the existing and future demand for research and training in gerontology. Many other institutions need sustained development support so that they have the opportunity to establish programs. Research and training expenditures in gerontology are an investment in all of our futures and the future needs are high.

The levels of funding which we are recommending are reasonable and realistic. They are not excessive, given the research and training needs in geriatrics and gerontology. In summary, Mr. Chairman, the Association for Gerontology in Higher Education's recommendation for the FY 1986 budget for Title IV for the Administration on Aging is $25 million, for the National Institute of Mental Health Center on Aging is $19.6 million, and for the National Institute on Aging is $164.8 million.

Thank you for this opportunity to testify. I will be pleased to answer any questions you may have and will be glad to provide any additional written testimony which you may need.

## STATEMENT OF MARVIN G. FIFIELD, ED.D., PRESIDENT-ELECT, AMERICAN ASSOCIATION OF UNIVERSITY AFFILIATED PROGRAMS

## ACCOMPANIED BY TERRENCE R. DOLAN, PH.D., CHAIRMAN, MENTAL RETARDATION RESEARCH CENTER CONSORTIUM

Senator HARKIN. Next will be Marvin Fifield, president of the Association of University Affiliated Programs.

Mr. FIFIELD. Senator, I am joined here by Dr. Terrence Dolan, who is the chairman of the Mental Retardation Research Center Consortium, and I am the president-elect of the American Association of University Affiliated Facilities. AAUAP is our professional organization, and it is Washington, DC, based, of 54 university affiliated centers, 8 satellite programs, and 12 mental retardation research centers. The Center for Developmental Disabilities is at the University of Iowa, which I am sure you are acquainted with.

Our association has particular interest in three funding agencies which come under the jurisdiction of this subcommittee. The first I would like to address is the Developmental Disabilities Assistance in the Bill of Rights Act, Public Law 98-527.

Under the provisions of that act, 36 of the UAF's and eight satellite centers receive core administrative support. This support is used for administrative costs and seed money to access and leverage other support primarily from State resources to pursue the training and research missions of the UAF's.

In addition to the thousands of professionals who receive interdisciplinary training at the UAF's, over 80,000 handicapped children and their families are served each year. The UAF's also participate in technical assistance and research projects along with a number of special research activities. I have listed seven of these in the research testimony here, and I will not talk about them. I will just direct your attention to some of the outcomes and accomplishments of some of those special projects.

Congress passed an authorization level for UAF's, through the Developmental Disabilities Act at the level of $9.6 million, of which only $9 million was appropriated. Senator, we are respectfully requesting your support for the additional $600,000 authorization. This small increase would enable the administration to provide the systematic growth which was encouraged by Congress to continue without reducing available funding for the existing programs.

The second area of our association's concern is for the Maternal and Child Health Block Grant Program. It is through these funds that the UAF network pursues its important leadership and training activities in both preservice and inservice training. The impact of this support is also reflected in the written testimony and I would direct your subcommittee's attention to it.

We strongly encourage full funding of the authorized level of $478 million, and a 15-percent set-aside of that total amount. Senator, we are particularly concerned about the set-aside. The administration's proposal, in effect, cuts that set-aside from 15 percent to about 12 percent. This would represent approximately a $12 million cut in discretionary funds, which would include the UAF program.

Our final interest is in the Center for Research on Mothers and Children, part of the NICHD program within which the mental retardation and developmental disabilities branch [MRDD] is housed.

The MRDD branch provides core support for the mental retardation research centers. The President's request of $293.1 million for NICHD represents almost a 7-percent decrease from the 1985 appropriations. That core support for the mental retardation centers was established by Congress and is administered by NICHD. This core funding has not kept up with inflation. Currently, approximately $8 million is allocated from NICHD funds for core support for the 12 mental retardation centers.

We strongly encourage a level not less than $10 million be allocated to MRRC activities in 1986, and that clear report language supporting the appropriation, reflecting congressional intent that these funds be utilized in this manner.

### PREPARED STATEMENT

I have with me also Dr. Leonard Hall, who is our executive director of the Washington office of the association. I am sure that between the three of us we would be happy to answer any questions you may have, or in the interest of time, we will be happy to prepare written responses to questions that you or other members of the committee would like to have.

[The statement follows:]

## STATEMENT OF MARVIN G. FIFIELD

My name is Dr. Marvin Fifield, and I am joined here today by my distinguished colleague, Dr. Terrence Dolan. Dr. Dolan is the Director of the University Affiliated Facility and Mental Retardation Research Center located at the University of Wisconsin in Madison. He currently serves as Chairman of the Mental Retardation Research Center Consortium. I am Director of tne Developmental Child Center, which is a University Affiliated Facility located at Utah State University, and I am currently serving as President of the American Association of University Affiliated Programs for Persons with Developmental Disabilities (AAUAP).

The American Association of University Affiliated Programs (AAUAP) is the professional association and the Washington, DC base for the 54 UAF programs which are located in 39 states and the 12 Mental Retardation Research Centers. I might add that we are delighted to welcome the University of Connecticut as a new member of our group.

The UAF network was created by Congress in 1967 in response to the critical need for a coordinated program of professional and technical resources to respond to the needs of children and adults who are mentally retarded or developmentally disabled. The UAFs were the first major federally-backed initiative to provide interdisciplinary training and diverse health care for these persons. Subsequent legislation has expanded the national scope of concern to include a broad array of developmental disabilities including metabolic, neurological and genetic disorders whose onset is prenatal or in the first 21 years of life. In the most recent reauthorization of Public Law 89-527, Congress broadened the program to focus additional efforts on expanding family and community resources and work related activities for the developmentally disabled.

Our association has a particular interest in three funding agencies which come under the jurisdiction of this Subcommittee.

These include the Administration on Developmental Disabilities, the Division of Maternal and Child Health, and the National Institute of Child Health and Human Development.

As a member of the Consortium for Citizens with Developmental Disabilities, the association has participated in preparing an analysis of the President's budget proposals, and recommended appropriation levels relating to the above referenced programs and others of interest to us. That analysis has been entered separately for the record, and has been shared with the staff of the Subcommittee. Therefore, my testimony will highlight key issues for your consideration.

First, let me address the Developmental Disabilities Assistance and Bill of Rights Act of P.L. 98-527. Under the provisions of this Act, 36 UAFs and 5 satellite centers receive core administrative support. This support is used as seed money to access and leverage other support primarily from state resources to pursue the UAF mission. It is this core support that enables UAFs to focus their efforts on training, service, technical assistance, and research that has had such a significant impact in improving services to our developmentally disabled citizens. In addition to the thousands of people who receive interdisciplinary training and the thousands of handicapped people who are served by the technical assistance and research activities which are conducted each year by UAFs, let me touch on a few very special activities which have been conducted this past year supported by this appropriation:

- o CHAIN (Computerized Handicapped Assistance Information Network), which offers a nationally accessible database, referral and retrieval, and telecommunication format for public, private and individual consumer interests requiring this coordinated network of services.
- o prevention activities, including research and dissemination in lead poisoning, genetics, fetal alcohol, prenatal nutrition, etc.

- research and demonstration activities in augmentative communication, prosthetics, assistive devices and technological applications in pursuit of least restrictive functioning for the developmentally disabled individual.
- major state and local coordination and sponsorship of interagency collaboration in pursuit of expanded, enduring and cost effective community based primary health care programs for the developmentally disabled.
- identification and dissemination of critical issues influencing transition from childhood to adult life, including the support systems, policy questions, and resources necessary for meaningful and dignified life to continue beyond the protective service model, which has evolved for the child and his/her family.
- major input into national policy considerations, including right-to-treatment for the clinically at risk infant, pursuit of fair housing and zoning ordinances, reconsideration of the role of institutions in the continuum of services, standards and regulations interpreting law, and basic issues of human and civil rights.

The above points represent a small sample of the scope and accomplishments that have occurred this past year as a result of the UAF appropriation from this legislation.

Congress passed an authorization level for UAFs under the act at a level of $9.6 million, of which $9 million was appropriated. [In addition, the Congress, through that Act, encouraged the systematic study, growth and development of the UAF network to assure access to important services equitably throughout the nation.] Mr. Chairman, we respectfully request your support for the additional $600,000 authorized. This small increase would enable the Administration to provide the systematic and scheduled growth encouraged by Congress to continue without reducing available funds for existing programs.

The second area our association has a vital interest in is the Maternal and Child Health Block Grant Program. The President's FY 86 request of $478 million will provide the authorized level of $71 million for administration of the setaside program. Through these funds the UAF network can continue its important leadership training activities in two principle areas:

- o Pre-service training focused on individuals who have a high probability of becoming tomorrow's leaders in the professional community, providing services to multiply-handicapped and mentally retarded infants, children and young adults and their families, i.e., the training of graduate students in related advanced degree programs.
- o In-service training, technical assistance, consultation and continuing education for persons already in key leadership positions or roles, i.e., agency heads, supervisors in various maternal and child health, crippled children and public health facilities.

An overview of the numbers of persons trained at the MCH funded UAFs in a typical year provides a measure of impact. The following data were reported for the 1982-83 twelve month fiscal year period from the interdisciplinary training programs at the UAFs funded by the 15% MCH setaside. These funds go to 18 of the 54 UAFs.

- o 4,897 participated as UAF pre-service trainees
- o 82,277 individuals, most of whom were professionals involved in the provision of services to multi-handicapped infants and children and their parents, participated in conferences, continuing education, workshops, and other special programs with UAF faculty.
- o 27,806 college and university students received lectures and courses on developmental disabilities from UAF faculty as part of their course of study.

- Approximately 1,250 physicians received training at DMCH-funded UAFs.
- Comprehensive tertiary diagnostic services were provided to well over 30,000 children and their families.
- Additional consultation to primary care providers was given to more than 25,000 multiply-handicapped children.

It is easily seen that the MCH commitment to funding of training and service within the UAFs, as part of the MCH setaside provisions, is an important contribution to health care in this country. We strongly encourage full funding of the authorized level of $478 million and the 15% setaside.

Finally, the AAUAP has a keen interest in the Center for Research on Mothers and Children of the NICHD, within which the Mental Retardation and Developmental Disabilities branch is housed. This MRDD branch is the only federal research agency whose sole responsibility is research on mental retardation and developmental disabilities. Appropriations to the MRDD branch support research covering the spectrum of human development in relation to mental retardation, including genetic, biological, and behavioral processes. The MRDD branch provides core support for the twelve national mental retardation research centers.

The President's request of $293.1 million for NICHD represents an almost 7% decrease under the Fiscal Year 1985 level. Further, the Administration's efforts this year to manipulate the NIH research efforts by reducing research grant awards from 6,500 to 5,000 in FY 85 and the subsequent compromise of 5,500 grants reflects the fragile status of this important priority as viewed by the current Administration. Such actions are viewed by many as representing a frontal assault on our nation's research activities, which will likely result in greatly diminished research findings in the foreseeable future.

An appropriation of $347.2 million to NICHD would allow the

Institute to maintain its grants and centers at the current grant level. This level of research is vital, based on reasonable professional judgment, if research is to be conducted which is aimed at finding prevention and cures and developing methods to improve the independence of developmentally disabled children and adults. Continuation of these research efforts will thus enable us to save literally billions of dollars annually on costly health care and other government subsidies.

A system of core grant support for the Mental Retardation Research Centers (MRRCs) was established by Congress and is administered by the NICHD. Over the years, MRRC core support has been utilized to develop and help maintain highly specialized common support facilities designed to provide unique research opportunities in the field of developmental disabilities. Individual research grants, or even a large program project, simply cannot conduct the type of research carried out in the MRRC program.

It is important to note that core grant funds allocated to the MRRCs have not kept pace with inflation, and have not increased proportionately to the NICHD budget as a whole, resulting in a net loss for research in this vital area.

Currently, approximately $9.2 million is allocated from NICHD funds for core support of the 12 Mental Retardation Research Centers. We strongly encourage a level not less than $10 million be allocated for MRRC activities in 1986, with clear report language supporting the appropriation reflecting Congressional intent that these funds be allocated in this manner.

In summary Mr. Chairman, we respectively request: first, a small increase of $600,000 up to the authorized level of support to continue the development of UAF satellites; second, continued support for the MCH training programs; including the 15% setaside and third, a $10 million allocation for the MRRC program.

Senator HARKIN. You said that the set-aside was decreased to 8 percent, is that what you said?

Mr. FIFIELD. The President's proposal would reduce it to 12 percent from the present 15 percent.

Senator HARKIN. It would reduce it to 12 percent from 15 percent. What would the effect of that be?

Mr. FIFIELD. The effect of that would be almost $12 million decrease in the set-aside, in discretionary funds, of which the UAF portion is taken from the discretionary moneys.

Mr. HALL. What happens is that the amount of money overall requested by the administration has remained the same, but they have put a limit on the 15 percent set-aside discretionary money at the 1984 level. It is because of that phrase, "limiting the amount of discretionary money to the 1984 level," that in fact cuts it not from a 15-percent set-aside, but makes it a 12-percent set-aside.

Only recently did we realize that that phrase was in the administration's request.

Senator HARKIN. How are they distributing the money?

Mr. HALL. It will be a block grant to the States.

Senator HARKIN. Could you partake in that through the block grant to the States? The University of Iowa facility, for example, could they participate through the block grant to the State?

Mr. HALL. I think the University of Iowa already has programs that are ongoing that are supported by block grant moneys. These moneys are for core support of special activities that are going directly to those development disability centers.

Senator HARKIN. Tell me again, what would be the cut: $12 million, did you say?

Mr. FIFIELD. Yes; $12 million.

Senator HARKIN. What would that do? What would be the effect of that?

Mr. FIFIELD. The effect of that would be a vastly reduced research and training component. The 15-percent set-aside, a significant amount of that is used for training, both preservice and continued education programs for MCH staff. That is the part that would be reduced.

The regular service funds, the block grant that goes to the States, would remain approximately the same. Those funds are for direct services to clients, and not for the training of staff. It would affect the training dimension of the mission of the research, innovation, and demonstration programs much more significantly than it would the direct services.

Senator HARKIN. It would cut $12 million from what level?

Mr. HALL. It would cut it from $71 million to $59 million.

Senator HARKIN. How long has the $71 million level been in effect?

Mr. HALL. This year.

Senator HARKIN. What was it before that?

Mr. HALL. Before that, in 1984, it was $59 million.

Senator Harkin. So it was $59 million, and then $71 million, and then back.

Mr. Hall. Now they are going back to the $59 million, although the total amount remains.

Senator Harkin. I understand that. In 1 year you had a boost of $12 million.

Mr. Fifield. Yes; and that was a supplement that came in through the jobs bill into the MCH, and that was put in. But the 15 percent was set on the previous amount, not on the total MCH appropriation program.

Mr. Dolan. The funds that the center in Iowa gets, for example, through the State block grant, are to provide specialized services to kids with chronic handicapping conditions. The amount of money that they get from the Federal set-aside, the 15-percent set-aside, is to train clinicians who are going into a health related field to take care of those kids. At the State level, those funds are used for training. So it is really the training that is going to suffer.

Senator Harkin. Thank you very much. This is very useful for us.

## STATEMENT OF WENDELL P. DAVIS, ADMINISTRATOR, BRADFORD COUNTY MANOR

### PREPARED STATEMENT

Senator Harkin. The next witness is Wendell Davis, administrator of Bradford County Manor, Bradford County, PA.

Mr. Davis, welcome to the subcommittee. Again, as before, your testimony will be made a part of the record, please summarize as you wish.

[The statement follows:]

## STATEMENT OF WENDELL P. DAVIS

I wish to thank the Senate Appropriations Committee for inviting me to testify. My name is Wendell Davis, and I am Administrator of a large nursing home in Northeastern Pennsylvania, the Bradford County Manor. I am here today to urge you in the strongest terms to support the Administration on Aging and its Long Term Care Gerontology Centers. As you may know, these centers are at risk should the Older Americans Act Title IV appropriation be reduced from its current level of $25 million/annum. That's for all research, education and training for the Administration on Aging. That represents an investment of a little less than $1 for each of the 27 million elderly persons in the United States - a modest annual investment for an improved workforce and lower-cost, higher-quality aging services.

However, I want to testify today about some of the practical problems we face today in the Northern Tier of Pennsylvania, and how we have begun to solve those problems with the assistance of one of AoA's eleven Long Term Care Gerontology Centers (LTCGC), the Mid-Atlantic LTCGC. First, I would like to give you a little of my own personal background, and my qualifications and experience. I entered the long term care field in 1973 when I became a licensed nursing home administrator and worked as assistant and administrator with two nursing homes. In 1976 I became director of Armstrong County Area Agency on Aging and maintained that position until November, 1979, when I moved back into the nursing home field with the Bradford County Manor, a 226-bed nursing home. I am presently administrator of the Manor, thus, I feel I can talk to you from both a community perspective and a nursing home perspective. I've worked firsthand trying to build a decent care system in Bradford County for the elderly. It's not easy. In fact, it's nearly impossible, and I'd like to try to explain why.

In the first place, the Northern Tier has a number of long term care facilities, agencies, programs, and services - but we -

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like most communities - have no long term care system. Think about it this way. When an older person needs help which the family cannot provide, the help they get will not necessarily depend on what they need. It may depend on where they go - to a senior center, a home-health provider, a mental health center, a hospital, and so forth. Each may assess needs differently and no one's "in charge" of making sure people receive care in the least costly, least restrictive living arrangement. For our elderly residents, this haphazard approach means loss of independence for those who are inappropriately placed in nursing homes. For those of us who are professionals in the field, this "no-system" has meant a frustrating set of interagency relationships, and a lot of gray hair. I don't need to remind this Committee what inappropriate care means to the taxpayer.

Given the long range costs of continuing to function as a non-system, our objective in the Northern Tier has been to build a comprehensive continuum of care for the elderly. I underscore comprehensive. This care would include community nursing home and hospital services. This is the direction most communities - however slowly - are moving. We faced both management and technical problems.

How should we organize the effort?

Where would we find out about similar experiences of other communities?

Where would we locate the best client assessment tools; the best geriatric and gerontological training?

Who could assist us in a complex development process involving a variety of disciplines and professions?

For the Northern Tier, our partnership with the Mid-Atlantic Long Term Care Gerontology Center (MALTCGC) marked a new beginning in solving these problems. With the help of the MALTCGC, those of us in the Northern Tier have:

1. Formed, convened and maintained a new "network" among hospitals, nursing homes, the area agency on aging and home health providers. A Board of Directors from these groups now oversees the development of comprehensive, coordinated care network.

2. Assembled appropriate personnel - from a variety of disciplines and specialities - who now are jointly engaged in planning for improved care for the elderly. For the first time, such personnel are working together around approaches to standardized case management, receiving quality geriatric training, and formulating/implementing systems improvements.

3. Upgraded nursing homes in the Northern Tier through MALTCGC technical assistance around clinical nursing and social restorative programming. This has enabled us to take our nursing home from a "maintenance" facility to a "restorative" facility.

4. Presented our "model" to the Pennsylvania Association of County Affiliated Homes, an association of forty-seven (47) nursing homes. Through our work with the MALTCGC, we have become a source of technical assistance to many of our sister facilities and counties in Pennsylvania.

Make no mistake. The presence of an external resource - the MALTCGC - has been instrumental in our progress. They have provided perspective, knowledge and technical support to us. They keep us apprised of advances in geriatric research, training and service. They have provided us legitimation and credibility.

Beyond the specific partnership in the Northern Tier, I have also had the opportunity to participate in the MALTCGC's annual regional "Blueprints" Conferences - this year on the economics of long term care - and in their work with Pennsylvania to develop a statewide system for long term care assessment and management. Those of us on the "frontline" are grateful for this competent and vital support.

I recognize some of the awesome problems and decisions facing this Committee. If I leave you with nothing else today, I would like to leave you with this thought. If the federal government expects states and localities to assume greater responsiblity for long term care, we need all the help we can get. I implore you not to reduce the limited national resources available to us for education, technical assistance, training and research. I would wager that the size and cost of the federal "safety net" for the elderly tomorrow will depend on the support states, counties and cities receive today. Please protect the AoA long term care gerontology centers. Protect the Title IV AoA allocation with appropriate federal help, and we at the local level can do the job.

I am deeply appreciative for this opportunity to testify. Thanks very much.

Mr. DAVIS. As you mentioned, my name is Wendell Davis. With all of the national organizations that have been speaking to you, you are probably wondering what I am doing here.

Senator HARKIN. Glad to have someone here from the field.

Mr. DAVIS. I am really here today to urge you in the strongest terms possible to maintain the long-term care gerontology centers at their $25 million annual budget.

Skipping over the testimony, I say that the northern tier of Pennsylvania, which is approximately five counties, has had firsthand experience with the mid-Atlantic long-term care center out of Temple University in Philadelphia. We have been working with them, and they are providing us with assistance for the last 2 years. Without them, what we are trying to accomplish in the rural area where I am from probably never would have gotten off the ground.

They provided us with the technical expertise and the state of the art of gerontology, and the education and training for the staff in the rural areas that enabled us to start expanding and sophisticating our geriatric network.

We initially started with the Guthrie Medical Center, which is a regional hospital in Pennsylvania, the nursing home that I represent, Bradford County Manor, which is about 226 beds, the Area Agency on Aging, the Home Health Care Agency, and two other small rural hospitals. The mechanism that brought us all together was the need to improve services to the elderly in the rural areas, but the really cohesive unit was the gerontology center itself.

None of us, including the regional hospital, really had state-of-the-art expertise in gerontological matters. We went to Philadelphia, and we asked for their assistance. They agreed to provide it. What we have tried to do now is to develop a gerontological continuum of care network with the elderly in that area which would provide appropriate levels of care for the elderly, comprehensive services for the elderly.

In the past, if you went to the area agency that didn't necessarily mean that we would get services from others. If you came out of the hospital, you may go home and really get services out of nowhere.

To pull that group together, the area agencies throughout the country need the support of those centers because they provide the respectability and the credibility that is needed for area agencies and the rest of the service system to be able to sophisticate the services, and to provide the training that is necessary to upgrade staff in nursing homes, hospitals, and community-based services.

Senator HARKIN. Does your own staff participate in that?

Mr. DAVIS. Yes; we have had an extra bonus. We didn't have a real strong restorative nursing program, and the gerontology center helped us to develop that. We also weren't sure, with present survey techniques, in Pennsylvania you don't get a good clinical analysis of your patients, and the gerontology center worked with us to do a clinical survey of whether the medication is interacting correctly with the patients, or is there a bad reaction. Are the diagnosis and the treatment compatible with the most advanced gerontological findings, et cetera, which was very rewarding for us.

The whole network has expanded. We have made presentations to the five State area agency network. We have made presentations to the Pennsylvania Association of County Affiliated Homes. From those there have been spinoffs already of other area agencies on aging picking up new concepts. Franklin County has integrated their county nursing home and their area agency service component, not the administrative component, to cut costs and better serve the elderly and to have a continuum of care for the elderly.

The regional medical center presently is in two proposals with the gerontology center to train physicians in geriatrics, and to also develop a curriculum for the nursing school that is affiliated with that hospital.

Especially in rural areas, I am not even sure urban areas have the expertise to do what these people do.

I am the practitioner, as you stated, at the local level, and I am speaking for hundreds of thousands of us throughout the country. I would say that the centers, especially the mid-Atlantic center has been a gold mine for the State of Pennsylvania.

Senator HARKIN. Where is it located physically?

Mr. DAVIS. It is at Temple University. It has provided phenomenal expertise in training. When you are cutting back on everything else which needs to be done, I am not saying that it doesn't, to cure the deficit, if you want the local people to do it, you have to provide them with the experts to train them in how to do it.

Senator HARKIN. I hear you.

Thank you very much for coming down from Pennsylvania. We appreciate it very much.

### STATEMENT OF JOYCE BLACK, CHAIR, PUBLIC POLICY COMMITTEE, CHILD WELFARE LEAGUE OF AMERICA

PREPARED STATEMENT

Senator HARKIN. Next is Joyce Black, the Chair of the Public Policy Committee of the Child Welfare League of America.

Welcome to the subcommittee. Your testimony will be made a part of the record, if you could summarize it, we would much appreciate it.

[The statement follows:]

## STATEMENT OF JOYCE BLACK

Mr. Chairman and members of the Subcommittee, my name is Joyce Black. I am a volunteer Board Member of the Child Welfare League of America and chair its Public Policy Committee. The League is a membership organization composed of more than 350 public and voluntary, not-for-profit child welfare agencies and 1,200 affiliates throughout the United States and Canada. Among our members, for example, are the Casey Family Program of Bridgeport, Connecticut, and the Children's Services Society of Wisconsin.

The League seeks to represent the needs of all children but especially those in trouble -- those without homes, those who have been abused and neglected, those in need of adoption services and foster care. Our member agencies and their affiliates provide a wide range of other services as well, including: child day care, adolescent maternity services, protective services, day treatment, emergency shelter care, home-based care, and other services designed to strengthen and maintain the family unit.

My purpose is not to talk about the League, however, but rather the children we serve. The musical Bye Bye Birdie asked, in a show-stopping tune, "What's the matter with kids today!" Now, twenty years later, this question is posed in far more serious tones. The matter with kids today is that nearly 14 million of them live in poverty. This is 3 million more than just 5 years ago, making children the fastest growing segment within our poverty population. The matter with kids today is that 9 million live in unsafe housing, 5 million care for themselves while their parents work, and 9 million have no regular source of health care.

To talk about the problems of children today is to talk about those who are missing, abducted, runaway, or homeless. Their problems are increasingly those we once thought of as adult problems -- drug addiction, alcoholism, and depression.

In today's parlance, we talk not only about children, but children who have children. Last year about 1.1 million teenagers became pregnant. Half of those gave birth. In my hometown, New York City, the pregnancy rate for 10 to 15 year olds has risen by 50 percent during the last decade.

Ultimately, to discuss the problems of children today is to discuss matters of life and death. Increases in child abuse are reported in 45 of the 50 States. Infant mortality, while down generally, is beginning to creep up among certain populations in the country, especially in the South. Suicide rates are increasing faster for teenagers than for any other age group.

However, it is not enough to talk only of problems. We must also consider solutions -- and at the Federal level that usually means talking about money. But I prefer instead to talk in terms of investments. This is particularly appropriate with respect to children's programs. Certainly expenditures for children, more than for any other age group, have the highest likelihood of yielding future dividends to the taxpayer. Let me then discuss a few "investment" strategies with you.

The Foster Care and Adoption Assistance Act (Title IV-E of the Social Security Act) provides reimbursement to States for the cost of foster care maintenance and administration and also provides Federal matching dollars for State assistance to families who adopt "special needs" children. Both programs are funded as open-ended entitlements based on the number of eligible children. The Administration has proposed a $10 million increase for adoption assistance, and we are pleased to support that recommendation. However, the Administration has also proposed "capping" the foster care program for fiscal year 1986, thus ending its entitlement status. Monies would be distributed among the States based on last year's expenditures. We regretfully oppose this second request.

Foster care is only one of a number of programs which form a continuum-of-services -- or bridge, if you will -- providing safe passage for children who, for whatever reason, are without families. On one end of the continuum is institutionalization. As evidenced by mental hospitals, correctional facilities, and orphanages of the past, this alternative is the least family-like. On the other end of the continuum are permanent, stable adoptive families. Surrounded by other alternatives, such as guardianship programs on one side and group homes on the other, foster care lies perhaps midway along the continuum.

Ideally, our goal is to move all children through this continuum-of-care into situations which most closely resemble a family setting. We all know that a permanent, stable family situation works best for children and is far less costly to the government, both now and in the future. In the real world, however, permanent adoption may not be possible for all hard-to-place youngsters -- those who are challenged physically or emotionally. . . . those who are older. . . . those who have been in trouble. Foster care may, in some instances, be the most appropriate and the most family-like situation ultimately available.

Those seeking to "cap" foster care, to end its entitlement status, or to limit the amount of time a child can spend within its care adopt a "bookkeeping" approach perhaps intended to arbitrarily hurry children along the continuum-of-services toward adoption. However, they fail to recognize that if arbitrary limits are set and no adoptive homes are available, States may be forced to move children back into less family-like settings. This does not work for children and will eventually cost a great deal more in both human and economic resources.

In addition, proposals to distribute foster care funds among the States in block-grant fashion, based on previous expenditures, provide no allowance for the varying needs of individual States. While nationally the rate of foster care placement has declined, twenty-five States have reported increases since 1983. Moreover, as deinstitutionalization efforts in mental health and corrections move previously institutionalized children into foster care, States are reporting more severe and complex cases. Foster care children with emotional problems, histories of delinquency, or those who have been victims of physical and sexual abuse will obviously require intensive treatment at greater costs. Assistance should remain available with sufficient flexibility to allow States to meet the individualized needs of each child they serve, and each eligible child in need of foster care should be guaranteed the availability of such assistance. The Child Welfare League recommends that both the foster care and adoption assistance programs continue as open-ended entitlement programs and that a "cap" not be placed on fiscal year 1986 foster care spending.

Child Welfare Services, (Title IV-B of the Social Security Act), seek to prevent the removal of children from their families in the first place by emphasizing home-based, family-oriented services when problems arise. If removal becomes necessary, it provides reunification services to speed the child's safe return home as appropriate. It further provides services to maintain stable, permanent adoptive homes for those children who cannot be reunited with their natural family. These funds address child abuse, family stress, and homelessness -- the very elements of family disintegration which must be confronted if we are to strengthen and maintain families. It is money spent for direct services.

The Administration has proposed freezing this program at $200 million for fiscal year 1986. If enacted, services cannot be maintained at the fiscal year 1985 level, and moreover, increased need, as evidenced by a one year rise of some 20 percent in reported child abuse, cannot be addressed. The Child Welfare League recommends that Title IV-B, Child Welfare Services, be funded at $250 million for fiscal year 1986.

The Social Services Block Grant (SSBG), also known as Title XX of the Social Security Act, is the primary source of Federal assistance for State social services, including child care, protective services, homemaker and in-home services, and residential care. The Administration has suggested limiting funding for the SSBG at the currently authorized level of $2.7 billion, a level fixed since fiscal year 1982. This would represent a dollar reduction of $25 million from fiscal year 1985, and a reduction in service of more than $130 million. In addition, the Administration has suggested the elimination of the Community Service Block Grant and the incorporation of its grantees by the SSBG. If accomplished, this could result in an additional 14 percent reduction in available resources. The Child Welfare League, in order to maintain services for The Social Services Block Grant at fiscal year 1982 levels, recommends that its authorization be raised to $3.3 billion for fiscal year 1986 and that an appropriation be made for that fully authorized amount. It is further recommended that the authorization be raised in annual increments sufficient at least to maintain services on a year-to-year basis.

The Education for All Handicapped Children Act (P.L. 94-142) is the primary means by which the Federal government maintains a partnership with States and localities to meet the cost of special education services for handicapped children. Despite the fact that the number of handicapped children needing services is increasing by 40,000 a year, the Administration has proposed freezing State grants at the current level and reducing the Federal contribution to 7 percent of the per pupil expenditure (PPE). The Child Welfare League opposes a freeze and recommends a funding level of $1.4 billion, which would return the program to its original level of 12 percent per pupil expenditure.

The Child Abuse Prevention and Treatment Act maintains a National Center on Child Abuse and Neglect (NCCAN) and provides for demonstration programs. Despite the fact that 45 states reported increases in child abuse, the Administration has proposed cutting this program by 20 percent and funding it far below its authorized level of $41.5 million. The Child Welfare League urges that the Child Abuse Prevention and Treatment Act be funded at $41.5 million, providing adequate funding for States to develop programs to address growing needs. Full funding of this program would also support States in the implementation of the requirements related to the protection of "Baby Doe" infants.

There are many other important programs for children that deserve attention. Head Start, a proven program that presently serves only one of five eligible children would be frozen as would the Alcohol, Drug Abuse and Mental Health Block Grant, the Maternal and Child Health Block Grant, and the Runaway and Homeless Youth Program. The Job Corps, which serves 40,000 disadvantages youth would be eliminated. Three new programs passed last year by Congress, the Family Violence Prevention Program, the Children's Trust Fund, and the Dependent Care Block Grant never get off the ground unless initial appropriations are made.

For these programs and others, on behalf of America's children, we need more, not less, investment. National priorities should be reordered. We pay lip service to the importance of children while freezing their Federal assets. If, as we say, children are indeed our number one natural resource, then they are every bit as vital to national security as defense contracts. Our insistence that their programs fare no worse is mandatory. The army of tomorrow will be no better than the children of today.

Ms. BLACK. I am delighted to be here as the chair of the Public Policy Committee of the League, which is a membership organization composed of 350 full member agencies, both from the voluntary and the public sector, as well as 1,200 affiliated agencies in the United States and Canada.

I also want to take this opportunity to thank the Subcommittee on Appropriations for the appropriations that were raised for IV–B in 1984 to 1985, from $167 million to $200 million. I will go into that in one more moment.

The league represents the needs of all children, but especially those in need. One of the reasons I am very pleased to be here is that children, as we all know, cannot come, for the most part, and speak for themselves. It seems as though we always claim that they are our greatest national resource, but they sometimes seem to fall way behind when it comes to the dollars that are spent on programs to make them self-supporting and mature citizens.

I am not here to talk about the league, but to talk about kids. Today, as we all know also, children have great problems. We have 8 million of them living in unsafe housing, 5 million care for themselves while their parents work, and 9 million have no regular source of health care, and this is getting worse.

The problems that we used to talk about adults, such as drugs, such as substance abuse, we are now talking about children, including depression, including many adult-related problems. One of the most serious ones, of course, is with 1.1 million teenagers who have become pregnant, and one-half of these have given birth. In New York City, which is my hometown, the pregnancy rate for 10 to 15 year olds has risen by 50 percent during the last decade, an astonishing figure.

I think that we are really talking about matters of life and death when we talk about kids today. The whole business of child abuse, neglect, molestation, which is being reported is staggering. We have had reports from 44 of our 50 States in regards to the increase in child abuse and molestation, and those 6 States that we didn't hear from, it is because they didn't report at all, so we don't know.

Our infant mortality rates while down, and the recent figures that I read the other day show that this is increasing again, are beginning to creep up in all kinds of populations that are specific around the country.

I know that we always talk about the problems, so I would like to talk a little bit about how we can invest some money in terms of the future for children.

First of all, the Foster Care and Adoption Assistance Act, IV–B of the Social Security Act, which provides reimbursement to States for the cost of foster care, maintenance and administration, and provides Federal matching dollars for State assistance to families who adopt special needs children, both programs are funded as open-ended entitlements based on the number of eligible children.

The administration has proposed a $10 million increase for adoption assistance, which we applaud and thank them for. However, they have proposed capping the foster care program for fiscal year 1986, thus ending its entitlement status. Moneys would be distributed among the States based on last year's expenditures, and we regretfully cannot support this request.

Those seeking to cap foster care, to end its entitlement status, or to limit the amount of time a child can spend within its care, adopt really a bookkeeping approach, perhaps intended to arbitrarily hurry children along this continuum of care.

Foster care is really only one piece of a continuum of care for children. When we talk about child welfare services, we are talking about all the services, from prevention, which I include child day care in, to foster care, to adoption, through residential treatment care. As you go along that continuum of care, the cost rises. If we can get some of that money at the early end and in the middle, we are going to be able to save dollars in the long-run.

Therefore, the Child Welfare League recommends that both foster care and adoption assistance programs continue as open-ended entitlement programs, and that a cap not be placed on fiscal year 1986 foster care.

For the child welfare services, the IV–B services that I spoke about before, we would seek to prevent the removal of children from their families in the first place by emphasizing home-based community family oriented services when problems arise.

We would recommend, in that case, as we have said, the Child Welfare League recommends that title IV–B child welfare services be funded at $250 million for fiscal year 1986, that was what I referred to at the very beginning that was raised from $165 to $200 million last year. We would like to be raised because that again is a preventative part of the program.

Another very important program that you have heard about from some of the people who have been here today talking about the elderly and gerontology, is title XX, or the social services block grant, as it is now called. That is a primary source of funding for social services programs, primarily in the child day care service, as well as protective services, homemaker and in-home services. This is very important to continue because it gives some options at the local level for choices, for determination about services that are specific to the population in any particular community or State.

The Child Welfare League recommends, in order to maintain services for the social services block grant at fiscal year 1982 level, that its authorization be raised to $3.3 billion for fiscal year 1986, and that an appropriation be made for that fully authorized amount, which I think would be of enormous help, again, for prevention.

Also to do with the education for all handicapped children, which you have heard about here today, Public Law 94–142, we will recommend that that be continued, and oppose a freeze and recommend a funding level of $1.4 billion which would return the program to its original level of 12 percent per pupil expenditure.

The Child Abuse Prevention and Treatment Act maintains a national center on child abuse and neglect, and provides for demonstration programs. Despite the fact that 44 States reported increases in child abuse, the administration has proposed cutting this program by 20 percent, and funding it far below its authorized level of $41.5 million.

Therefore, we recommend that the Child Abuse Prevention and Treatment Act be funded at $41.5 million, providing adequate funding for States to develop programs to address growing needs. The funding of this program would also support States in the implementation of the requirements related to the protection of Baby Doe infants.

There are many new programs, and some of them occurred last year, such as the family violence prevention program, the children's trust fund, and the dependent care block grant, that may never get off the ground unless some initial appropriations are made for those programs.

For those programs, and for the others we mentioned, and on behalf of America's children, we need more, not less investment. The national priority should be reordered. As I said at the beginning, we pay great lip service to the importance of children. If, as we say, children are indeed our No. 1 natural resource, when they are every bit vital as national security and defense contracts, our insistence that their programs fare no worse is really mandatory, because the army of tomorrow will be no better than the children of today.

Thank you very much.

Senator HARKIN. I enjoyed your testimony, but I missed that last sentence.

Ms. BLACK. I think that it is substantial that we try to make this a strong and healthy Nation by paying as much attention as possible to those children, particularly the ones with the greatest problems.

Senator HARKIN. Thank you very much.

Ms. BLACK. Thank you.

## STATEMENT OF CHRIST PETROULEAS, CHAIR, NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

### PREPARED STATEMENT

Senator HARKIN. Last, but not least, Mr. Christ Petrouleas, Chair of the National Collegiate Athletic Association.

Welcome to the subcommittee. As before, your testimony will be made a part of the record, and you can summarize it.

[The statement follows:]

## STATEMENT OF CHRIST PETROULEAS

Mr. Chairman and members of the Subcommittee, my name is Christ Petrouleas. I am the Chairman of the National Collegiate Athletic Association's National Youth Sports Program Committee. I have been involved with the program since 1969 and have served on the national committee for five years. Thank you for the opportunity to speak in support of an appropriation of $6.13 million for the FY 1986 NYSP.

We recognize that this is a year in which budget constraints are particularly severe. We believe that the NYSP deserves your continued support. The need for the program continues because of the persistence of urban and rural poverty. The NYSP is a high-quality program which makes effective use of federal dollars in providing vitally needed services.

During the long, hot summer the NYSP gives more than 55,000 disadvantaged boys and girls, ages 10-16, a chance to participate in organized athletic and educational activities in the setting of nearby college campuses. We believe that the NYSP enriches the lives of the young participants by providing them with the kinds of opportunities which you and I desire for our children and which we can afford to give them. Through sports instruction and competition, young people learn about their human potential and, more importantly, through the educational component of the program, they learn to use that potential.

Our funding request for the NYSP is the same as it was last year and substantially the same as it has been since 1976, when the funding was $6.0 million. However, despite the relatively flat federal funding level, the program continues to provide high-quality services to program participants. We are able to do this because of the NYSP's unique character as a program funded with federal, state, local, and private contributions.

In fact, voluntarism has been the key to the NYSP's success. All physical facilities and the services of a project administrator are donated to the program by participating colleges and universities. In the last summer's program, the 135 participating institutions provided facilities, equipment and services valued at more than $8.3 million. Businesses and state and local governments contributed an additional $2.4 million. For the 1985 program, the Spalding Corporation has agreed to make a grant of over $100,000 to be used for the purchase of T-shirts for project participants, and to contribute basketballs for every project. The NCAA has made increasing efforts to locate additional business sponsors and more than $100,000 in additional support at the national level has been committed so far this year from major corporations such as Greyhound, Gillette, McDonald's and Ashland Oil. Locally, many institutions receive support from area businesses in the form of grants, equipment and clothing or project awards.

The NCAA donates its assistance as the administrator of the NYSP. In 1984, the NCAA expended an estimated $267,000 of its own funds for NYSP management. We expect that the NCAA will spend about $310,000 in 1985. Ruth M. Berkey, NCAA Assistant Executive Director, serves as National Program Director and she is assisted by others on the NCAA staff. Policy decisions are made by the NYSP Committee, which is composed of five representatives from NCAA members or allied institutions and ex-officio members (currently three) representing the Federal government. Members of the Committee volunteer their services. No Federal grant funds are allocated to the NCAA or institutions for overhead.

This combination of voluntarism and federal, state and local funding assistance allows the NYSP to provide a variety of valuable services. The highly trained staff at each project (typically serving about 400 youngsters) conducts a rigorous program of athletic training and competition in at least three major sports for each participant. All participants receive swimming lessons. Instruction from college and high school coaches and outstanding athletes is available in more than ten sports. The participant-staff ratio of about 19 to 1 ensures each youngster personal contact with people who can serve as positive role models. The result is an outstanding program of high quality sports instruction and competition.

The NYSP also provides an enrichment program in recognition of its philosophy that body and mind must be nurtured together. Each participant receives at least three hours of counselling in drug and alcohol abuse prevention. In addition, participants are instructed in career opportunities and job responsibilities, personal health and nutritional practices and higher educational opportunities. Institutions are encouraged to offer additional enrichment programs, such as remedial reading and college SAT preparatory courses. The NYSP also draws upon the outstanding educational and cultural resources available on and near participating college campuses.

Another program benefit is the free medical examination each NYSP participant receives before taking part in the program. Efforts are made to secure medical services for free or at a nominal cost to the program. Appropriate follow-up treatment is provided for all identified medical problems. In addition, each participant is covered by medical and dental insurance during the course of the project and is entitled to receive medical treatment for injuries and illnesses that occur during the project. All projects employ a trained medical coordinator to oversee medical services. Each participant also receives a daily USDA-approved hot meal or snack. Eligible institutions receive USDA assistance for this purpose.

Besides these direct benefits to participants, the program provides important collateral benefits. For example, the NYSP makes an important contribution to better relations in the communities it serves. NYSP participants from the poor neighborhoods surrounding many of our urban universities make their first visit on campus a project enrollees. Participants may later attend those same institutions. And, at the culmination of each program, parents are invited to an awards ceremony featuring their proud youngsters. Local community groups, such as community action agencies, are invited to participate in recruitment and selection of project enrollees. Moreover, the NYSP provides summer employment for many residents of poverty target areas. Thus, in a highly visible way, the institutions sponsoring NYSP projects are able to give something to their communities.

In addition, and more importantly, the program motivates and teaches young people to reach for and to achieve high goals. Team sports teach discipline and help to satisfy young people's urge to belong. Active participation helps them to turn away from destructive behavior patterns and to concentrate their energies on constructive efforts. By teaching and reinforcing traditional values and skills, the NYSP seeks to build self-esteem and promote the overall development of each participant.

We work each year to improve the program and its management. In 1984, the NYSP Committee completely reviewed and revised the NYSP guidelines, operations manual and financial reporting system. All projects also receive an annual review, which includes an on-site evaluation. Financial reporting is monitored with a program of sample auditing. Institutions in need of management help are provided technical assistance and all new participating institutions receive on-site technical advice. Institutions unable to meet the NYSP's high standards are culled out and replaced by others better able to perform the work.

The 1986 NYSP will have behind it the NCAA's seventeen years of experience in NYSP administration and eighty successful years of athletics administration. NCAA member and allied institutions provide to the NYSP some of the finest athletic facilities in the world. We know of no other organization that can mobilize the quantity or quality of resources applied to this program.

We are all acquainted with the severe budgetary pressures the Congress is confronting. Many programs formerly available for young people in the summer months have been reduced in scope or have disappeared entirely. The need for effective programs, such as the NYSP, thus becomes more critical each year. In the past, Congress has been generous with assistance to this program. On behalf of those who have benefited from that generosity and on behalf of the NCAA, I extend our sincere thanks and ask that you recommend an appropriation of $6.13 million for the National Youth Sports Program.

## NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
## NATIONAL YOUTH SPORTS PROGRAM
## FACT SHEET - 1984

### PROGRAM CONCEPT

The National Youth Sports Program annually provides approximately 55,000 disadvantaged youths, ages 10-16, a unique opportunity to benefit from resources made available by local colleges and universities. In 1984, with a $5.76 million grant from the Office of Community Services and more than $10 million in contributions from other sources, the National Collegiate Athletic Association and 135 selected institutions of higher education carried out the program's sixteenth successful year.

The NYSP is an instructional program for disadvantaged boys and girls. The program uses sports instruction and competition as a vehicle for motivating young people from poverty areas to earn and learn self-respect. The program provides participants with instruction in career and educational opportunities and exposure to the college environment. Each participant receives a free medical examination, and follow-up, if necessary. Each participant receives daily a free meal or snack. The aim of the NYSP is to help disadvantaged youths learn to "walk tall -- talk tall -- stand tall."

### PROGRAM STATISTICS FOR 1984

| | |
|---|---|
| Number of participants | 55,384 |
| Number of participating institutions | 135 |
| Number of states | 45 |
| Number of cities | 118 |
| Number of professional staff employed | 1,339 |
| Number of project aides | 1,607 |
| Number of supporting personnel | 1,263 |
| Cost covered by OCS grant | $5,760,000 |
| Institutional contribution | $8,370,000 |

| | |
|---|---|
| Other contribution (business, local and state government) | $2,400,000 |
| NCAA contribution (estimated)[1] | $267,083 |

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1/ Not including value of national television promotionals.

## PROGRAM OBJECTIVES

1. To expand opportunities for disadvantaged youths to benefit from sports skills instruction, engage in sports competition and improve their physical fitness.

2. To help young people acquire good health practices, to help them become better citizens and to acquaint them with career and educational opportunities by utilizing the personnel and facilities of institutions of higher education.

3. To enable the institutions and their personnel to participate more fully in community life and in the solution of community problems.

4. To provide a combination of employment and on-the-job training in sports instruction and administration.

5. To serve disadvantaged areas in the major metropolitan centers of the United States and other areas of need, within the limits of program resources.

## PROGRAM FEATURES AND ACCOMPLISHMENTS FOR 1984

1. Served approximately 55,000 youths, over 90 percent of whom met federal poverty guidelines, thus achieving major objective of serving the poor.

2. Provided a free, U.S.D.A.-approved meal or snack daily for each participant.

3. Provided a free medical examination, and follow-up where appropriate.

4. Provided disadvantaged youths an introduction to the higher education community. Boys and girls who otherwise might never have contact with a college or university were welcomed on campus and given exposure to the benefits available. Many participants later attend college, in some instances receiving help through valuable contacts gained while in the NYSP.

5. Provided instruction in competitive and lifetime sports by college and high school coaches and outstanding athletes. Provided instruction in swimming for each participant. Over 55,000 disadvantaged young people received the benefits of organized sports training, instruction and competition.

6. Provided instruction in personal health care, career and educational opportunities, and drug abuse prevention.

7. Provided medical and dental insurance for all participants in the program.

8. Mobilized over $8 million in matching contributions from participating institutions.

9. Mobilized over $2 million in contributions from businesses and state and local governments.

10. Performed all of the above at little administrative cost to the federal government. Paid less than two percent of federal funding for administrative expenses. Nearly all administrative costs were paid by the National Collegiate Athletic Association and participating institutions.

11. NYSP projects were planned and developed through NYSP local advisory committees, composed in part of leaders and members of the local poverty community.

12. Continued to evaluate and refine the program.

**PROGRAM STATISTICS: 1969-1984**

| | |
|---|---|
| Number of participants | 682,000 |
| Federal funding | $74,143,000 |
| Nonfederal contribution | $94,766,695 |
| Number of jobs created | 55,821 |
| Number of positions filled by residents of poverty target areas | 38,928 |
| NCAA contribution | $1,355,251 |

Mr. PETROULEAS. Senator Harkin, I am the chairman of the National Collegiate Athletic Association's National Youth Sports Program Committee. I have worked with the program since 1969, and I have served on the national committee for the last 5 years. Thank you for the opportunity to speak in support of an appropriation of $6.13 million for the fiscal year 1986 National Youth Sports Program.

We recognize that this is a year in which the budget constraints are particularly severe, yet we believe that the National Youth Sports Program deserves your continued support. The National Youth Sports Program is a high-quality program which makes effective use of Federal dollars in providing utterly needed services.

During the long, hot summer, the National Youth Sports Program gives more than 55,000 disadvantaged boys and girls, ages 10 through 16, a chance to participate in organized athletic and educational activities in the setting of nearby college campuses.

We believe that the National Youth Sports Program enriches the lives of the young participants by providing them with the kinds of opportunities which you and I desire for our children and which we can afford to give them.

Our funding request for the National Youth Sports Program is the same as it was last year, and substantially the same as it has been since 1976 when the funding was $6 million. Despite the relatively flat Federal funding level, the program continues to provide high quality services to program participants because of the National Youth Sports Program's unique character as a program funded with Federal, State, local, and private contributions.

Voluntarism has been the key to the National Youth Sports Program's success. In fact, the private sources and the participating institutions and the NCAA support this program with facilities, services, and contributions totaling more than $80.8 million. No Federal grant funds are allocated for overhead.

This unique partnership allows the National Youth Sports Program to provide a variety of valuable services, including a rigorous program of athletic training and competition. The National Youth Sports Program also provides an enrichment component in recognition of its philosophy that the body and mind must be nurtured together.

Each participant is instructed in drug and alcohol abuse prevention, job and educational opportunities, and personal health. Institutions are encouraged to offer additional enrichment programs which include such areas as remedial reading.

Another important program benefit is the free medical examination each National Youth Sports Program participant receives before taking part in the program. Often this is the only medical examination many participants have received in recent years. If a medical problem is detected, followup treatment is provided.

Each participant also receives daily a USDA approved meal.

Besides these tangible benefits to the participants, the program motivates and teaches young people to achieve high goals. Active participation helps them to concentrate their energies on constructive rather than destructive activities. By teaching and reinforcing traditional values and skills, the National Youth Sports Program seeks to build self-esteem and promote the overall development of each participant.

The National Youth Sports Program also provides important collateral benefits, including creating summer employment for many residents of poverty target areas, and improving relations in the communities it serves.

We work each year to improve the program and its management. All projects receive an annual review and financial reporting is monitored with a program of sample auditing.

The 1986 National Youth Sports Program will have behind it the NCAA's 17 years of experience in NYSP administration, and 80 successful years of athletics administration. We know of no other organization that can mobilize the quantity or quality of resources applied to this program.

We are all acquainted with the severe budgetary pressures the Congress is confronting. Because many programs formerly available to young people in the summer months have been reduced in scope or have disappeared entirely, the need for effective programs, such as the National Youth Sports Program, thus becomes more critical each year.

In the past, Congress has been generous with assistance to this program. On behalf of those who have benefitted from that generosity and on behalf of NCAA, I extend our sincere thanks and ask that you recommend an appropriation of $6.13 million for the National Youth Sports Program.

Thank you very much.

Senator HARKIN. Thank you very much.

I just want to know, because I am not familiar with this program, how do you find the kids, and what kids participate in this program. This is only in the summertime?

Mr. PETROULEAS. That is correct.

Senator HARKIN. Only during the summer months?

Mr. PETROULEAS. That is correct.

Senator HARKIN. What ages?

Mr. PETROULEAS. Ten to 16.

Senator HARKIN. Who decides who is eligible?

Mr. PETROULEAS. In order to qualify for a program, the guidelines require that a 2- or 4-year institution, not necessarily a member of the NCAA, make application to the national office. Part of the application form has the target area, the number of students that can be served, facilities available, et cetera.

They must serve at least 90 percent disadvantaged, and most of the programs come in at better than 95 percent disadvantaged.

We attempt to have programs in as many States——

Senator HARKIN. When you say, "disadvantaged," do you mean economically disadvantaged?

Mr. PETROULEAS. Economically disadvantaged.

Senator HARKIN. Not physically?

Mr. PETROULEAS. No.

We do have handicapped programs that are mainstreamed. In other words, we do not have separate programs for the handicapped.

Senator HARKIN. You take kids out of their home environment and put them in colleges, they live in dorms, separated from their parents?

Mr. PETROULEAS. It is not an overnight camp. It is not a residential or overnight camp. What will happen is, the institution will determine what hours its facilities are available. Some programs are run in the morning hours, and some are run in the afternoon hours, and some are fun for as much as 7 or 8 hours, depending on the availability of facilities. If the youngsters are not close enough to walk on, transportation is supplied, and they are bused in.

When they are brought in, they are distributed to their activities area. One of the activities, as I pointed out, is the enrichment component which every student in the program must take. Then, at the end of the day, they are bused back to their pick up point.

Senator HARKIN. You do this every day, 5 days a week?

Mr. PETROULEAS. The institutions have an option. They can run a 5-day program for 5 weeks, or a 4-day program for 6 weeks, or a 4-day program for 7 weeks, again it depends on the availability of facilities because many of the institutions have that almost designated as a down time for restoration of facilities, but they still find time for the program.

Senator HARKIN. They go there and they get a hot meal, a lunch?

Mr. PETROULEAS. Yes.

Senator HARKIN. They get a physical examination, and they participate in sports?

Mr. PETROULEAS. Correct. The instruction is done by the coaches of the university, of the high schools in the area, and the athletes. We have a tremendous ability to identify role models.

Senator HARKIN. Does every State participate?

Mr. PETROULEAS. Unfortunately, no.

Senator HARKIN. How many States?

Mr. PETROULEAS. I believe we have 45.

Senator HARKIN. You have 45 States?

Mr. PETROULEAS. The ones that do not have programs because we have not had institutions request funding.

Senator HARKIN. Those would tend to be more rural States?

Mr. PETROULEAS. It varies. For example, we have a program in South Dakota, but we don't have one in North Dakota. We have one in Nebraska, but unfortunately we don't have one in Iowa.

Senator HARKIN. That is why I don't know about it. You have never had one in Iowa?

Mr. PETROULEAS. Not to the best of my knowledge.

Senator HARKIN. I must admit that I had not heard of this program. I am very curious about it, and how you operate it. There are more disadvantaged children than that that would like to do summer sports. How do you decide? You go to a school, how do you decide what kid gets to go and what kid doesn't?

Mr. PETROULEAS. The target area are the disadvantaged students.

Senator HARKIN. Who decides that?

Mr. PETROULEAS. They are identified, but unfortunately it is on a first come-first served basis. I can relate to this because I am from the city of Detroit, and the program that I worked with and operated was Wayne State University. We serviced at that time approximately 450 youngsters, and we would have to turn them away, not necessarily because the funding was not available, but our facility couldn't take any more.

The University of Detroit also runs a program within the city of Detroit, but they are the only two institutions that have made application, and they are both at maximum every year.

One of the things that we attempt to do, and as chairman of the committee, I know, and I have been there for 5 years, when applications come in, one of the things that we do attempt to do is look at areas that don't have programs, and attempt to allow as many different areas to participate in the program.

Senator HARKIN. The kids that go, can they go one summer and go the next summer?

Mr. PETROULEAS. We encourage that. One of the questions that we keep track of is how many of the participants come back the following years. One of our goals is to start them at age 10 and have them complete the program at age 16, and not only increase their athletic abilities and the other types of training that we give them, but motivate them through their identification of the staff and the university. We think we have been successful in that.

Senator HARKIN. That is interesting.

Mr. PETROULEAS. I would make one other point. If you take a look at it and break it out, the Federal dollars sponsored 55,000 plus participants, and it comes out at a little less than $100 per participant for that camp program. For what they get, which includes transportation, medicals, meals, and the instruction, and it is a highly intensified instructional program, it is unbelievable. It can only be done because the institutions have absorbed these other costs, plus we have gone out to the private sector, and we have attempted to offset the inflationary costs and expand the programs in numbers using private dollars.

Senator HARKIN. Do you try to keep an equal mix of 50 percent female and 50 percent male?

Mr. PETROULEAS. It works out that way. We don't discriminate one way or the other. I would invite you to visit one of our programs at your pleasure.

Senator HARKIN. Do you have one here? Does the University of Maryland participate in the program, or any of the city schools here, Georgetown, or George Washington, or Catholic?

Mr. PETROULEAS. The University of the District of Columbia.

Senator HARKIN. That is very interesting.

Thank you very much.

Mr. PETROULEAS. Thank you very much.

## SUBCOMMITTEE RECESS

Senator HARKIN. The subcommittee will stand in recess until Wednesday, May 15, 1985, when we will meet here again at 9:30 a.m., in Senate Dirksen 116, to hear from public witnesses on elementary and secondary education, student financial assistance, higher education, and related agencies.

[Whereupon, at 12:50 p.m., Tuesday, May 14, the subcommittee was recessed, to reconvene at 9:30 a.m., Wednesday, May 15.]

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# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1986

WEDNESDAY, MAY 15, 1985

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 9:30 a.m., in room SD-116, Dirksen Senate Office Building, Hon. Lowell P. Weicker, Jr. (chairman) presiding.

Present: Senators Weicker, Hatfield, Specter, Burdick, and Inouye.

## NONDEPARTMENTAL WITNESSES

### ELEMENTARY AND SECONDARY EDUCATION

### STATEMENT OF HON. RON DE LUGO, REPRESENTATIVE FROM THE VIRGIN ISLANDS

Senator WEICKER. The committee will come to order. Today is our last day of hearings relative to the appropriations bill for Labor/HHS. This marks not only the last day of overall hearings, but the last day of public witness hearings. Today we will be hearing from public witnesses on elementary and secondary education, student financial assistance, high education, and related agencies.

Again, I request that all witnesses keep themselves to the 4 minutes as a matter of courtesy to their fellow witnesses. It is embarrassing for me to bring down the gavel. I really don't want to do that. I would appreciate it if everyone would observe the lights and end their statements, when the red light appears. All statements in their entirety will be placed into the record.

Our first witness is the Honorable Ron De Lugo, who ably represents the Virgin Islands.

Senator WEICKER. It is good to have you here.

## PREPARED STATEMENT

Mr. DE LUGO. Thank you very much Mr. Chairman. I appreciate your placing my entire statement in the record in its entirety, and that statement discusses the general assistance teacher training programs and their contributions to the U.S. insular areas with regards to the special education problems that exist in those jurisdictions in force.

[The statement follows:]

## Statement of Ron de Lugo

I have asked this Subcommittee in each of the past four years to fund General Assistance to the Virgin Islands and Teacher Training for each of the U.S. insular areas. Despite lack of support for these programs in recent Administration budgets, Congress has consistently approved their funding, and I ask the Subcommittee to do the same this year.

The General Assistance and Teacher Training programs have a proven track record of success in the insular possessions. Congress reauthorized the programs through 1989 as part of P.L. 98-511, and I seek an appropriation consistent with that authority.

In seeking the new authority for General Assistance to the Virgin Islands, I told the authorizing committee that the funds would be used as follows:

$7.6 million -- for an elementary school in St. Thomas. The east end of that island has no elementary school. The school would serve over 600 students.

$10.7 million -- for a second senior high school on St. Croix. The current senior high school was originally built to serve 900 students.

Additions have raised classroom capacity to 1,686. Enrollment for the 1983-1984 school year, however, was 2,199. Furthermore, services, such as the library and restrooms, are designed to serve only 900 students, or less than half of the current enrollment.

$1 million -- for curriculum development. This has been an important component of the Virgin Islands education program designed to effectively respond to the cultural differences of the school population while pursuing mainland standards.

$1.74 million -- for construction of additional classrooms in existing schools.

$800,000 -- for textbooks.

$1 million -- for library books.

$1.5 million -- for remedial programs. This is an attempt to bring students from non-U.S. islands up to American standards.

$260,000 -- for instructional supplies.

THE ITEMS LISTED ABOVE WOULD SUPPLEMENT LOCAL EDUCATION EXPENDITURES. A QUARTER OF THE LOCAL BUDGET CURRENTLY GOES TO EDUCATION, WHICH IS CONSEQUENTLY THE LARGEST BUDGET ITEM. FURTHERMORE, THE VIRGIN ISLANDS GOVERNMENT PLANS TO FLOAT BONDS TO BUILD TWO OTHER SCHOOLS WHICH ARE NEEDED, PROVIDED IT CAN IDENTIFY FUNDS TO CARRY THE DEBT.

THE VIRGIN ISLANDS HAVE SMALL RESOURCES POOLS, A GROWING POPULATION AND ARE FACED WITH A MANDATE UNDER P.L. 91-225 TO EDUCATE ALIEN CHILDREN WHO ENTER THE TERRITORY. THIS MANDATE CREATES A TWO-FOLD STRAIN ON THE VIRGIN ISLANDS' EDUCATION BUDGET: THE NEED TO ACCOMMODATE THE DIVERSE CULTURAL AND EDUCATIONAL BACKGROUNDS OF THE ALIEN CHILDREN AND THE SHEER NUMBER OF THESE ADDITIONAL CHILDREN. FURTHERMORE, THE LOCAL CITIZENRY IS NOT EXPERIENCING A DECLINE IN SCHOOL AGE CHILDREN AS IS THE REST OF THE NATION. AS AN EXAMPLE, IN THE PAST SCHOOL YEAR THE LOCAL SCHOOL POPULATION HAS GROWN BY 1,565 STUDENTS, 1,146 OF WHICH ARE NON-U.S. CITIZENS. THE CUTBACKS IN EDUCATION WHICH MAY BE FEASIBLE FOR THE REST OF THE COUNTRY, THEREFORE, ARE NOT SO FOR THE VIRGIN ISLANDS. FAR FROM EXPERIENCING A DECLINE IN ITS ELEMENTARY AND SECONDARY STUDENTS, THE VIRGIN ISLANDS IS FACED WITH COMPOUND ESCALATION.

THE TEACHER TRAINING ASSISTANCE IS A MEANS OF LIMITING RELIANCE ON TEACHERS FROM THE MAINLAND. THIS RELIANCE HAS CAUSED SEVERE PROBLEMS IN QUALIFICATION AND CONTINUITY AS MAINLAND TEACHERS ARE OFTEN NOT PREPARED TO COPE WITH THE CULTURAL DIFFERENCES BOTH IN THE ISLAND COMMUNITIES AND IN THEIR STUDENTS. THE RESULT IS HIGH TURNOVER, OFTEN OCCURRING IN THE MIDST OF THE SCHOOL YEAR. THE TEACHER TRAINING PROGRAM HELPS THE INSULAR AREAS TO TRAIN LOCAL PEOPLE WHO CAN RELATE TO THE STUDENTS, AND WHO ARE COMMITTED TO THE COMMUNITY AND ITS SCHOOLS. THE PROGRAM HAS INCREASED THE LOCAL POOL OF TEACHERS, BUT THE MAJORITY OF OUR TEACHERS STILL HAIL FROM OUTSIDE OF THE VIRGIN ISLANDS.

I BELIEVE THAT THIS COUNTRY'S FUTURE, AND THAT OF ITS INSULAR POSSESSIONS, IS BOUND DIRECTLY TO THE EDUCATION OF OUR YOUNG.

THE RECENT PASSAGE OF THE MATH AND SCIENCE AND TEACHER TRAINING LEGISLATION UNDERSCORED OUR AWARENESS OF OUR RESPONSIBILITIES IN THIS AREA. I URGE THE SUBCOMMITTEE TO KEEP THIS RESPONSIBILITY BEFORE IT THROUGHOUT THIS APPROPRIATIONS PROCESS. WE HAVE A DEFICIT TO CONTEND WITH, BUT THERE IS A GREATER EXPENSE IN ABANDONING SOLID EDUCATION PROGRAMS SUCH AS THOSE I HAVE DISCUSSED TODAY.

Mr. DE LUGO. The chairman is fully aware of the success of these programs in the offshore areas. Today, I would like to highlight very briefly and very quickly my response to the administration's assertion that the objectives of these programs can be met through the consolidation of education programs currently applied in the insular areas and that specific needs that they address can be met by juggling the consolidation funds.

Public Law 95–124, which allows the insular areas to consolidate their education programs, was intended, as you know, to provide greater flexibility in the use of funds allocated under program formulas. Congress determined that while education funds were clearly needed in the insular areas the program designations, in many cases, might be too structured or too formatted and not meet the unique priorities of these areas.

To now suggest that consolidation should result in a cutback of Federal funding in the insular areas defeats the purpose of the consolidation. Furthermore, the insular areas still must follow the parameters of areas which are consolidated. Thus, for example the Virgin Islands could not construct school buildings under consolidation, something that may be done with general assistance funds.

Since general assistance was intended to offset the disproportionate growth in the Virgin Islands school population caused by Federal immigration law, construction authority is appropriate for that special need. Similarly, the teacher training program is a joint venture between the local governments and their postsecondary institutions. The funds are used to assure a much needed pool of local teachers, the lack of which Congress agrees presents a constant threat in the education efforts in these areas.

The territories have spent many years seeking to raise their educational levels to those in the mainland United States. While laudible national attention is given to education in the mainland, the current mainland standard is the goal of insular education curricula. We in the insular areas cannot hope to approximate that goal in Federal education authority which targets funds for territorial programs is reduced. Nor does it make sense to suggest that the territories juggle formula funds in an attempt to compensate for loss of targeted funds when Congress has already recognized that the state of our schools demand such flexibility in addition to the general assistance and teacher training programs.

Quite frankly, as you are aware, while on the mainland we are seeing school populations reduced in the territories at the present time our school population is increasing. Therefore, the need is also increasing.

I thank you for the chance.

Senator WEICKER. Thank you very much. We are going to take a look at these items. I certainly agree that in terms of the Virgin Islands, the investment in education is essential, especially with the problems that continue to occur, the latest being the maneuver of much of your employment in the Islands. It is obviously necessary to go ahead and use the educational capacities of this government to assure that people have that knowledge which enables them to branch out into areas outside of the United States or Marietta.

Thank you.

Mr. DE LUGO. Thank you, Mr. Chairman, for your continued interest in my constituents and also all of the offshore areas. Thank you.

Senator WEICKER. Thank you.

## STATEMENT OF ANNE RICHARDSON, CHAIRMAN, READING IS FUNDAMENTAL

## ACCOMPANIED BY RUTH GRAVES, PRESIDENT READING IS FUNDAMENTAL

Senator WEICKER. The next witness is Anne Richardson, the chairman of Reading is Fundamental.

Senator WEICKER. Hi, Ann. How are you?

Ms. RICHARDSON. Good morning, Mr. Chairman. Let me introduce my colleagues Ruth Graves, the president of Reading is Fundamental.

Mr. Chairman, on behalf of Reading is Fundamental [RIF], we thank you for the opportunity to testify on the fiscal 1986 appropriations for the Inexpensive Book Distribution Program [IBDP], chapter II, discretionary funds of ECIA.

RIF operates this program under contract to the Department of Education. We are most grateful to this subcommittee for your past support and for the $7 million appropriation for fiscal year 1985. The administration has proposed $7 million for fiscal 1986 for IBDP. Reading is Fundamental respectfully requests the Congress specify an 1986 appropriation of at least $7 million.

Level funding at $7 million would, of course, result in some erosion. Services would be withdrawn from approximately 200,000 youngsters.

The administration has also proposed wording to override ECIA section 583(b)(1) which provides that from the discretionary fund, the Secretary will first fund the IBDP at least in amounts necessary to sustain the activities of the fiscal 1981 levels.

This wording, included for sound reasons with bipartisan support, and with exceptional foresight, has shielded the book program from the most disastrous effects of the legal dispute between the Department of Education and the Chicago Board of Education, a dispute which led to the freezing of discretionary funds not mandated by the law.

Without the section 583(b)(1) wording, the mandated programs would have, at best, suffered serious disruption; at worst, disappeared altogether.

The mandating wording assures continuity of the IBDP through such unpredictable events as the *Chicago* case and through the more predictable changes in administrations and Federal agency personnel.

Congress has twice rejected requests to override the mandate. We respectfully urge you to reject the request once again.

Thanks to your past support, there are now 3,300 RIF projects throughout the 50 States, District of Columbia and the U.S. possessions. The IBDP goes to the root of the serious national problem of illiteracy, turning young people into readers. Youngsters who read, grow up to adults who can read. A just-released NIE report cites providing children with ready access to books as an essential step toward literacy.

Many studies note the importance of: motivation, books in the home, parental involvement and frequent reading of a wide variety of materials. The IBDP does all of these things. It increases library usage and often, reading scores.

Last year alone, it reached 2,296,000 youngsters with more than 7 million books at the remarkably low cost to the Government of $2.70 per child.

Last year, 99,000 citizens volunteered services to IBDP. We estimate for every dollar appropriated, RIF contributes $3.89 in private funds, goods and services. All this adds up to a program that works and is in much demand.

We could begin 800 to a 1,000 new projects each year were sufficient funds available. The Lieutenant Governor of South Carolina recently said on the illiteracy issue, "We will pay more in the end for doing less in the beginning."

### PREPARED STATEMENT

The IBDP program does something in the beginning, does it well and at a low cost. We respectfully urge the Congress to continue this important literacy effort by appropriating at least $7 million for the IBDP for fiscal 1986 and by rejecting the Department of Education's request to waive the mandated wording of section 583(b)(1). Thank you.

[The statement follows:]

## TEMENT OF ANNE RICHARDSON

On behalf of Reading Is Fun[illegible]al (RIF), I thank this Subcommittee for the opportunity to testify on the FY 1986 appropriation for the Inexpensive Book Distribution Program (IBDP), the Education Consolidation and Improvement Act, Chapter II, Secretary's Discretionary Fund.

This Subcommittee has long been in the forefront of efforts to assure that our youngsters are well served by Federal education programs. We are particularly grateful for the increased appropriation you provided for Fiscal 1985, and for your actions in 1981 to ensure that the IBDP would continue to help America's children to grow up reading.

Since Congress created the IBDP in 1976, modeling it on the Reading Is Fundamental methods, RIF has operated the program under contract to the Department of Education.

With your consistent support, this program has proved a cost-effective way to attack the illiteracy problem at its roots, reaching young people while they are still reachable, inspiring them to read and making available to them books they want and will read.

Thanks to the IBDP, there are now 3,300 RIF projects, operating at more than 10,000 locations throughout the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

### READING IS FUNDAMENTAL RECOMMENDS AN FY 1986 APPROPRIATION OF NO LESS THAN $7 MILLION

The Administration has included in its proposed budget, $7 million for the Inexpensive Book Distribution Program.

Reading Is Fundamental respectfully recommends that the Congress specify an appropriation of at least $7 million for the IBDP.

We are most grateful to the Congress for increasing the appropriation from $6.5 million in Fiscal '84 to $7 million for Fiscal '85, an increase permitting the maintenance of level of services.

We do feel obliged to report to the Congress that FY '86 level funding, at $7 million, will result in the loss of services to approximately 200,000 children through inflation and rising cost of books. To maintain those services between the Fiscal '85 and '86 appropriations would require an additional $690,000, or $7.690 million in Fiscal '86 appropriations for the IBDP.

## READING IS FUNDAMENTAL RECOMMENDS RETENTION OF WORDING MANDATING FUNDING OF THE IBDP

In enacting the Education Act of 1981, both Houses of Congress, with bipartisan support, incorporated the following wording in Chapter II, Subchapter D, Secretary's Discretionary Fund, Section 583 (b) (1):

> (b) "From the funds reserved for the purpose of the Section, the Secretary shall first fund
>
> (1) "The Inexpensive Book Distribution Program (as carried out through 'Reading Is Fundamental')...at least in amounts necessary to sustain the activities...at the level of operations during Fiscal Year 1981..."

The Department of Education has proposed wording to override the mandatory set-asides of this section of the ECIA.

Reading Is Fundamental recommends rejection of the Department's request.

The Congress, for sound reasons — and with exceptional foresight — included this mandating wording in the first place. With equal wisdom, the Congress has twice before rejected Education Department requests to waive the mandate.

This Congressional wisdom was never more manifest than in the last two years when the prolonged legal dispute involving Department of Education funds and the Chicago Board of Education resulted in a freezing of those Discretionary Funds not mandated by the law, and delays in releasing of increased appropriated funds for the mandated programs. (It should be noted that the lawsuit was in no way precipitated by any action of the mandated programs, although increases in their funding levels were affected.)

It is likely that without the specific Section 583 (b) (1) wording in the ECIA, these mandated programs would have at best suffered serious disruption, and at worst disappeared altogether.

Through the tested and time-honored process of Congressional authorization, mandating, and funding of programs, the Congress assures continuity of vital services through unpredictable events such as the Chicago Board of Education lawsuit, as well as through the more predictable changes in administrations and Federal agency personnel.

We gratefully attribute much of the success of the IBDP to the stability Congress provided through the mandating wording included in Chapter II of the ECIA.

We now respectfully urge the Congress to reject, once again, the Department of Education request to override the mandatory set-asides of Section 583 (b).

## IBDP/RIF ADDRESS A MAJOR NATIONAL PROBLEM

There is little argument that the U.S. has a serious and growing literacy problem: one that begins with our young.

The statistics are so well known to this Committee that we cite but a few:

- o The U.S. ranks 49th among 158 member nations of the UN in terms of literacy;
- o Experts have said that the current generation is the first in the history of the United States to grow up less skilled in reading and writing than their parents;
- o Approximately two-thirds of U.S. colleges and universities find it necessary to provide remedial reading and writing courses for students;
- o Book readership in the under-21 age group declined by 12 percent between 1978 and 1983;
- o Last year, the U.S. Army spent more than $14 million to bring recruits up to a 9th grade level in reading;
- o The number of functionally illiterate Americans is growing by about two and a quarter million annually.

The costs to society are staggering. A recent Department of Education report cited a price tag of $225 billion annually for lost productivity, unrealized tax revenues, remedial training in business and the military, and illiteracy related to crime and welfare costs. There are personal costs as well, such as the death of a worker who died because he could not read a warning sign, and the death of the hospital patient from drug overdose resulting from the inability of a medical assistant to read a label.

## IBDP/RIF METHOD IS SOUND; SUCCEEDS IN ITS PURPOSE

Many studies have urged that motivation; books in the home; parental involvement; reading often, for pleasure, and a variety of books, are all significant factors in assuring that children grow up as readers.

These are precisely the principles that guide the RIF/IBDP program.

A just-released report of the NIE Commission [illegible] reinforces the value of these principles, noting among other things:

> "Reading itself is fun. . .an essential step in reaching that goal (of literacy) is to provide children with ready access to books that are interesting to them."

This report, along with those that preceded, help explain why the RIF/IBDP program succeeds in dramatically changing youngsters' reading habits.

Response to a 1983 (privately funded) survey of RIF projects proved that RIF has a significant effect in motivating youngsters to read, both in the short and longterm. It revealed that RIF is an important aid in helping teachers to motivate children to read. Other reported benefits include: increased use of libraries; increased parental involvement in the schools; and contributions to improved reading achievement.

The Department of Education itself has reported that through the RIF program:

> "A majority of the students receiving books developed an overall motivation to read, had positive attitudes toward themselves as readers, used a library, and brought books home. Respondents reported their beliefs that the program represented the only source of books most participating children had in their homes, that it stimulated greater involvement by parents in their children's reading activities, and that it had a beneficial impact on school-community relations and school-parent relations."

RIF daily receives further reports on the value of the IBDP, such as a recent one from a high school in DePere, Wisconsin:

> "...It is really something else to hear about students that had never before finished a book in their life and to be able to see them now asking for more books to read because they had finished their first two RIF books!!!!"

## THE KEY TO SUCCESS: A LOW-COST, COST-EFFECTIVE GRASSROOTS PROGRAM REACHING DIVERSE COMMUNITIES

Since its founding in 1966, RIF has brought more than 65 million books into American homes. Of that number, 59 million were put into the hands of youngsters through the IBDP.

Last year alone, at the remarkably low cost to the government of only $2.57 per child, RIF reached more than 2.2 million youngsters with more than 7 million books.

In doing so, the program drew on the services of about 99,000 volunteers — parents (nearly 40%), educators, retirees, older students, businessmen and blue collar workers, and others devoted to literacy and children.

Since the IBDP was established hundreds of thousands of volunteers have donated 8.3 million hours, or 3,990 work years, to the program.

These volunteers reach children in their own neighborhoods: in schools, libraries, hospitals, juvenile detention centers, housing projects, boys clubs, Indian reservations, migrant labor camps, and day care facilities. RIF attracts volunteers because it works in any setting where children congregate.

A preschool center serving low income families in Oregon reports:

> "The children often have little stimulation in the house other than television... When parents are concerned about being able to provide their children with educational experiences at home, we always tell them, 'read to the kid.' When we are also able to provide them with books to back up our suggestion, it has more impact."

A Quakertown, Pennsylvania elementary school teacher observes:

> "RIF generates tremendous excitement about reading among youngsters. Our reading scores have remained high ever since we began it...It is a highly motivating program and helps the school compete with television."

In addition to the volunteers, there are other multipliers of the Federal help: the 6,046 local community businesses and organizations providing matching funds, goods and services; the discounts RIF has negotiated with 346 book suppliers (most IBDP books are purchased at an average 40% discount); and the aids and services

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provided by Reading Is Fundamental. At no cost to the government, for example, RIF has initiated a program of reading services to parents, reading campaigns, and materials.

Because of RIF's unique partnership between the public and private sectors, for every $1 of Federal IBDP funds appropriated, RIF and its local projects bring approximately $3.89 in private funds, goods and services.

THE PROGRAM IS IN DEMAND

Many, many more communities would initiate a RIF program were funds available.

Based on the inquiries we receive, we estimate that with sufficient monies we could fund 800 to 1,000 new programs each year.

The nation has a serious literacy problem that it can ignore only at great cost now and for future generations.

A recent Department of Education report quotes South Carolina Governor Michael Daniel on the illiteracy issue:

> "Unless some strong coordinated action is taken now, we will pass on even greater problems to future generations...We will pay more in the end for doing less in the beginning."

BECAUSE THE INEXPENSIVE BOOK DISTRIBUTION PROGRAM:

--Succeeds in getting youngsters to read:

A child from Milford, Connecticut writes:

> "...RIF helps the children who can't even have the joy of going to a movie. RIF is a wonderful way to let them discover the joy of reading. Reading is fun, you can let your imagination run wild like a lion when reading a fiction book, or hang it in suspense, or when reading a biography feel like a president. Reading is fun and RIF helps. RIF should be everywhere."

--Is a low-cost, effective way to help prevent illiteracy;

--Is in demand, offering a means for local citizens and communities to become engaged in the literacy effort:

READING IS FUNDAMENTAL RESPECTFULLY REQUESTS THE CONGRESS:

--To appropriate no less than $7 million for the Inexpensive Book Distribution Program; and

--To deny the Education Department's request to waive the provisions of Section 503 (b) mandating funding of the IBDP.

Senator WEICKER. Thank you, Anne. I certainly agree with you regarding the language provisions; that is the job of the committee. But I assure you I'll oppose it whenever it is raised; $7 million will be provided, and that will result in the lots of services.

Ms. RICHARDSON. That is because of mainly the inflation in the price of inexpensive paperback books, which are the ones to be distributed, which go up far more than the inflation rate. You have a $1 book this year. If you raise it, you raise it to $1.25 next year. That is the chief factor.

Senator WEICKER. I believe, if I am not mistaken, there was a recent just a report within the last several days on this matter of literacy? It is just shocking in this country. I am very much inclined to try and see whether or not we can find some additional funds over and beyond that $7 million.

Let me ask you this; and I am asking your opinion, Anne. Do you feel that the Reading is Fundamental Program is really getting into the places it should with these books?

Mrs. RICHARDSON. We are concerned about the fact that we have, as I said, about 800 to 1,000 requests for new programs during the course of the year which we have to turn down because we cannot provide them with the Federal financing. We have run out of placement for that. The ones who can go ahead and do it on their own tend to be the ones who live in more affluent areas and can raise the money.

But the most needy areas that want to start a new program, it is difficult for us to do that at the time being. We do have projects in a lot of migrant areas, on Indian reservations and inner cities. So they are ongoing, but we could reach at least twice as many if we had more money is the problem.

Senator WEICKER. I think the outreach can be somewhat difficult. I just hope that every effort is being made. I don't know how you operate in the inner city or rural poor areas. These are difficult places to reach, but these are the places that have to be reached.

Mrs. RICHARDSON. We know how to reach them if we can help provide them with funds. We have to have funds.

Senator WEICKER. Who do you work with in conjunction with this project? Let's say you want to go to some remote, poor rural area. How do you accomplish that?

Mrs. RICHARDSON. I would like to have Ruth Graves address that.

Ms. GRAVES. It varies from area to area, but often it is an interested library in a school or a PTA member who will get the program started. In many cases, we work with local service organizations such as the Kiwanis Club or the AAUW to take it into a group.

On Indian reservations, we often work with the tribal council or with some subgroup thereof. With the migrant programs, because of the way the law is written, we must work with some agency that already is set up to work with migrant farm workers.

Senator WEICKER. Would you please submit to the committee a geographic breakdown as to where your programs are located?

Ms. GRAVES. Oh, absolutely. I could have brought it to you today. Sure.

[CLERK'S NOTE.—Committee has not received to date.]

Senator WEICKER. That is OK. Thank you very much.

Mrs. RICHARDSON. Thank you.

### STATEMENT OF LAUREEN SUMMERS, THE NATIONAL COMMITTEE, ARTS WITH THE HANDICAPPED IN EDUCATION

Senator WEICKER. Laureen Summers, The National Committee, Arts with the Handicapped in Education.

Ms. SUMMERS. Good morning, Senator Weicker.

Senator WEICKER. Good morning.

Ms. SUMMERS. I am speaking on behalf of The National Committee, Arts with the Handicapped in Education, an affiliate of the John F. Kennedy Center for the Performing Arts. I want to thank you for the support you have given us in the past. Last year's appropriation helped us to expand all of our programs and support very special arts festival programs around the country.

We now serve over 500,000 disabled participants in every State, the District of Columbia and Puerto Rico. Our constituency is made of artists, disabled people, teachers, and parents. I am proud to announce that I qualified for membership in all four categories. [Laughter.]

Quite honestly, I am disabled. I have cerebral palsy. I'm a weaver, a teacher, and perhaps my most creative accomplishment of all, a parent. I am a wonderful mother. [Laughter.]

When I was very young, I was surrounded by artists who were my parents' closest friends. Our home was filled with writers, poets, musicians, and painters. These people treated me with acceptance and didn't seem as bothered by my disability as others were.

As I grew older, I held artists up to be idyllic, romantic, and crazy. [Laughter.]

I wanted to be part of that world. When I discovered I could weave, my beloved dream of becoming one of them had come true. I always wanted to sit at my loom in long skirts and long hair and weave. And I did.

Very special arts programs continue to move in directions in order to reach more disabled people and provide them with opportunities to participate in the arts. Since 1981, the number of very special arts festivals increased from 202 to 450 occurring this year, and because of our success, we have developed affiliated programs in 35 countries around the world.

Now over 600,000 disabled children, youths, and adults are directly served through our programs. That sounds like a large number, but there are many of us.

Whoops. I didn't quite make the red light.

Senator WEICKER. That is all right. Keep on going.

Ms. SUMMERS. That sounds like a large number, but there are millions more of us that still need to be reached. To keep up the momentum of our efforts, we respectfully request a cost-of-living adjustment. I wish to thank you for your consideration for your support which has been critical in the past. I realize that the committee faces budget constraints that are compelling, but with your assistance, we can help disabled people to be productive and prove their chances for future employment and to contribute to all of our lives and be wonderfully crazy, too. [Laughter.]

Please consider the fact that with proper support and encouragement, disabled people like myself have a real opportunity to be part of this great society. Without art and without our sensitivities, we would indeed be an uncivilized culture. Thanks.

Senator WEICKER. Thank you, Laureen. What is the amount of money involved?

A VOICE FROM AUDIENCE. $2.2 million.

Senator WEICKER. $2.2? So we are talking, you say you serve 600,000 people according to your statement.

Ms. SUMMERS. Yes.

Senator WEICKER. So you are talking about roughly, what, $3.50 per person? What was the administration request this time?

Ms. SUMMERS. I would like to let counsel answer that.

A VOICE FROM AUDIENCE. It was level funded at $2.2 last year.

Senator WEICKER. When we get over the budget hurdle, we will be sitting around and doing the dollars down. I certainly can assure you that we will try to do everything possible to make certain you will be able to move forward in this area.

I agree with everything that you say. It is the importance of this program and the people that it serves. I might add, I think you are a very articulate spokesman.

Ms. SUMMERS. Thank you.

PREPARED STATEMENT

Senator WEICKER. This is as good a presentation as I have ever heard. Thank you for being with us. That is also a very pretty dress that you have on.

Ms. SUMMERS. Thank you.

[The statement follows:]

## STATEMENT OF LAUREEN SUMMERS

GOOD MORNING. MY NAME IS LAUREEN SUMMERS AND I'M SPEAKING ON BEHALF OF THE NATIONAL COMMITTEE, ARTS WITH THE HANDICAPPED, AN EDUCATIONAL AFFILIATE OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS. I WISH TO THANK YOU FOR THE SUPPORT THAT YOU HAVE GIVEN THE NATIONAL COMMITTEE IN THE PAST. LAST YEAR'S APPROPRIATION HELPED US TO EXPAND OUR PROGRAMS AND SUPPORT VERY SPECIAL ARTS FESTIVAL PROGRAMS AROUND THE COUNTRY. WE NOW SERVE OVER A HALF-MILLION DISABLED PARTICIPANTS, IN EVERY STATE, THE DISTRICT OF COLUMBIA AND PUERTO RICO.

OUR CONSTITUENCY IS MADE UP OF ARTISTS, DISABLED PEOPLE, TEACHERS AND PARENTS. I AM PROUD TO ANNOUNCE THAT I QUALIFY FOR MEMBERSHIP IN ALL FOUR CATEGORIES! QUITE OBVIOUSLY, I AM DISABLED - I HAVE CEREBRAL PALSY WHICH OCCURRED AT BIRTH. I AM AN ARTIST, A TEACHER, AND, PERHAPS MY MOST CREATIVE ACCOMPLISHMENT OF ALL, A PARENT.

WHEN I WAS VERY YOUNG, MY PARENTS' CLOSEST FRIENDS WERE ARTISTS, WRITERS, POETS, MUSICIANS AND PAINTERS. THESE PEOPLE TREATED ME WITH ACCEPTANCE AND DIDN'T SEEM AS BOTHERED BY MY DISABILITY AS OTHERS WERE. AS I GREW OLDER, I HELD ARTISTS UP TO BE IDYLLIC, ROMANTIC, AND CRAZY. I WANTED TO BE PART OF THAT WORLD. WHEN I DISCOVERED I COULD WEAVE, MY BELOVED DREAM OF BECOMING "ONE OF THEM" HAD COME TRUE.

CREATIVITY HAS BEEN DEFINED AS THE DISCOVERY OF ALTERNATIVES TO UNACCEPTABLE SITUATIONS. WHEN I BEGAN TEACHING WEAVING TO DISABLED CHILDREN, I NOTICED HOW MUCH MORE ALIVE AND EXCITED THEY SEEMED. WITH

ARTS EDUCATION, THESE YOUNG PEOPLE WERE PROVIDED WITH CREATIVE CHALLENGES AND THE OPPORTUNITY TO ACHIEVE. MANY CHILDREN FOUND NEW WAYS TO COMMUNICATE. THROUGH INVOLVEMENT IN SIMPLE ART PROJECTS, THEY COULD FINALLY EXPRESS THEIR DREAMS, THEIR HOPES AND THEIR FEARS. THE ARTS ALSO PROVIDED GOOD WAYS TO LEARN MANUAL DEXTERITY AND BETTER COORDINATION. MATH, READING AND WRITING BEGAN TO BE LEARNED THROUGH THE ARTS AND CHILDREN WHOSE ABILITIES WERE THOUGHT TO BE SEVERELY LIMITED EXCEEDED ALL OUR EXPECTATIONS.

VERY SPECIAL ARTS PROGRAMS CONTINUE TO MOVE IN NEW DIRECTIONS IN ORDER TO REACH MORE DISABLED PEOPLE AND PROVIDE THEM WITH OPPORTUNITIES TO PARTICIPATE IN THE ARTS. SINCE 1981, THE NUMBER OF VERY SPECIAL ARTS FESTIVALS HAS INCREASED FROM 202 TO 450 OCCURRING THIS YEAR, AND BECAUSE OF OUR SUCCESS WE HAVE DEVELOPED AFFILIATED PROGRAMS IN 35 COUNTRIES AROUND THE WORLD. NOW OVER 600,000 DISABLED CHILDREN, YOUTH AND ADULTS ARE DIRECTLY SERVED THROUGH OUR PROGRAMS. THAT SOUNDS LIKE A LARGE NUMBER BUT THERE ARE MANY MORE PEOPLE WITH DISABILITIES IN THE U.S. TODAY THAT STILL NEED TO BE REACHED. TO KEEP UP THE MOMENTUM OF OUR EFFORTS, WE RESPECTFULLY REQUEST A COST OF LIVING ADJUSTMENT.

VERY SPECIAL ARTS FESTIVALS ARE THE CORNERSTONE OF THE NATIONAL COMMITTEE, ARTS WITH THE HANDICAPPED. THIS YEAR, WE ARE CHANGING THE NATIONAL COMMITTEE'S NAME TO "VERY SPECIAL ARTS USA", WITH EACH STATE PROGRAM ADOPTING THE NAME "VERY SPECIAL ARTS". THIS TITLE CHANGE IS INTENDED TO INCREASE NAME RECOGNITION AND PUBLIC AWARENESS OF OUR

PROGRAMS. THE TERM "VERY SPECIAL ARTS" FOCUSES ON THE VERY SPECIAL QUALITY OF OUR PARTICIPANTS, RATHER THAN ON THE FACT THAT THEY ARE DISABLED.

I WANT TO THANK SENATOR WEICKER FOR HIS CONSIDERATION, AND FOR HIS SUPPORT, WHICH HAS BEEN CRITICAL IN THE PAST. I REALIZE THAT THE COMMITTEE FACES BUDGET CONSTRAINTS THAT ARE COMPELLING, BUT WITH YOUR ASSISTANCE, WE CAN HELP DISABLED PEOPLE TO BE PRODUCTIVE, IMPROVE THEIR CHANCES FOR FUTURE EMPLOYMENT, AND TO CONTRIBUTE TO ALL OF OUR LIVES. PLEASE CONSIDER THE FACT THAT WITH PROPER SUPPORT AND ENCOURAGEMENT, DISABLED PEOPLE HAVE A REAL OPPORTUNITY TO BE PART OF THIS GREAT SOCIETY. WITHOUT ART, AND WITHOUT OUR HUMANESS, WE WOULD INDEED BE AN UNCIVILIZED CULTURE.

## STATEMENT OF RAÚL DE LA ROSA, NATIONAL ASSOCIATION OF STATE DIRECTORS OF MIGRANT EDUCATION

## ACCOMPANIED BY SARAH MOORE, COORDINATOR OF MIGRANT AND ENGLISH AS A SECOND LANGUAGE PROGRAMS, GEORGIA STATE DEPARTMENT OF EDUCATION

Senator WEICKER. Raúl de La Rosa and Sarah H. Moore, the National Association of State Directors of Migrant Education.

Mr. DE LA ROSA. Mr. Chairman, thank you for allowing us the privilege to bring this brief testimony before you. Our testimony has been submitted for the record. I just simply want to draw to your attention that within my testimony one of the points that I drew out was the unfairness of the education administration in the treatment of migrant programs.

We are being asked to shoulder cuts that, in our opinion, are not being shared by other educational programs. Migrant children continue to exhibit great need, and it is unfair when we annually submit to the Education Department actual student counts for them to continue to insist that other programs, particularly the urban-oriented chapter 1 program, can meet the needs of the migrant children. It is not fair for the HEP and CAMP Programs to be completely defunded and dismantled.

These programs have offered great hope for many migrant students who otherwise would not have been able to get out of the migrant field. I do want to thank you for this opportunity, and I will allow Miss Moore a few comments.

Senator WEICKER. Thank you very much.

Ms. MOORE. We are concerned that at a time when national reports are showing that school can and does make a difference and that with our children who have received services, academic achievement has been increased that the request has come, that funds be cut. This is at a time that we know that what we are doing does make a difference in the lives of children. It makes a different in the future earning potential.

What we are doing is spending money now that will be able to reduce funds being spent in the future. It is much easier and cheaper to educate children than it is to support them in the future on welfare or in prisons. Yet because of the funding squeeze and because of inflation, we are now serving fewer children in title 1 migrants than we were 5 years ago because it is costly.

Because of the attempts to cut the eligibility from 5 years to 2 years, the length of time that children will be eligible to receive services will be reduced. We feel that 2 years cannot make up for a life of mobility, of discontinuity in curriculum and of lack of services over time.

We notice that the RIF people mentioned that they are serving migrant children. Their books have made a difference in the lives of children, and we appreciate their cooperative efforts. The Migrant Education Program is mandated by legislation to work cooperatively with other agencies, and we have done that across States and across agencies. We feel that this cooperative effort has made a difference in the lives of these children.

We appreciate what you have done for us in the past; we feel that your efforts have been significant in ensuring that the continued funding has reached the children, and we ask you again to consider, as you go through the budget process, the needs of these migrant children whose parents do provide food for the Nation's tables and to allow us to continue to provide equal educational opportunity for all children across the Nation.

Senator WEICKER. It is what, a $41 million cut scheduled?

Ms. MOORE. $42 million.

Mr. DE LA ROSA. $42 million, plus the reduction of the eligibility period from 1952.

Senator WEICKER. What is the argument of the administration, that the States will pick this up?

Mr. DE LA ROSA. Yes, sir, and/or chapter 1 will pick it up. We know chapter A is not fully funded. It is not meeting the needs of all of these children. We know that in many of these rural areas, there are more migrant funds in these school districts than there are chapter 1 regular funds. There is no way that the administration can convince us that these children seem to get that.

Ms. MOORE. That was why the Migrant Program was added, because the needs were not being addressed by the regular chapter 1 funds. Many times, the chapter 1 class is formed in the spring and the kids are not in the schools at the time, and then when the migrant kids enter the schools in the fall, the class is already set, there is no room for them. So they are excluded from supplement services.

## PREPARED STATEMENTS

Senator WEICKER. Thank you very much for your time. I appreciate it.

[The statements follow:]

## STATEMENT OF RAÚL DE LA ROSE

Four years ago President Reagan's "call to the Nation" to hold down spending was supported by the National Association of State Directors of Migrant Education (NASDME). Although many of us felt that cutting or holding the line would cause a hardship by reducing funds to educate the children of our nation's migratory farmworkers, we felt a sense of patriotism and wanted to contribute to this worthwhile cause. After all, if the nation's taxpaying force was at a point of breaking and at a point of economic collapse (the federal deficit, we were told was forcing the nation into a "Depression"), we were ready to help. The President's argument was sound--if a nation cannot help itself first, how can it help others? Besides, the "safety net" he promised was going to guarantee the protection of the poor and disadvantaged child and would ensure the educational safety of the migrant child.

However, after witnessing four consecutive years of attempt after attempt made by this Administration to cut the Chapter 1, Migrant Education Program national budget and request a change in the eligibility definition of a settled out migrant child, reducing it from five to two years, the Association has come to believe that this Administration has no concern for the educational well being of the children of those who harvest this nation's crops and put food on every American's table.

Arguments of great concern for the truly migratory child made during each of the reduction attempts from 1981 to the 1984 distort the truth and offend those of us who know this Administration's true motives. Administration U.S. Department of Education (USED) officials have a deaf ear when provided evidence on the number of migrant children tracked nationally through the Migrant Student Record Transfer System located in Little Rock, Arkansas. They are very aware that migrant students suffer almost irreparable academic, social, psychological, emotional and mental damage as a result of their migrancy; they have been informed about the scandalous dropout problem among this special population, reaching as high as 70%; they have knowledge of how settled out migrants are responsible for generating the bulk of the funds. For each 365 days a migrant student resides in the same state the state generates one full time equivalent worth of funds while the true migrant generates only a fraction of an FTE based on the number of days he/she resides in a given state. (It takes 3-4 students to generate one full time equivalent). They are fully aware that the mobile migrant child gets first priority in the delivery of educational services. Migrant students, mobile or settled out, are not served automatically because they are migrants. Migrant students must meet the test of qualifying as migrants first then they must meet the second test by demonstrating that they are the most in need. As in Chapter 1 Regular, once determined that they are the greatest in need, educational services are provided to them. Under every needs assessment procedure conducted by districts in the state of Washington for over ten years, mobile migrant children have been identified as most in need.

USED officials are fully aware that Chapter 1 Regular cannot sustain the impact, both financially and programmatically, that migrant children will have on the Chapter 1 Regular Program if it must serve the needs of these children. Still, this Administration has gone to Congress asking for legislative approval of their request arguing that there will be sufficient funds available to absorb the settled out students dropped from the Chapter 1, Migrant Education Program.

Now into the first year of his second term, the President is once again coming to you--the Congress--asking for: a) a $42 million reduction to the 1987 Migrant Education Program budget; b) a change in the definition of a migrant child, again asking a change from a five year eligibility period to a two year; c) removing the minimum from the Section 143 which includes funds for the Migrant Student Record Transfer System (MSRTS); and d) the elimination of the High School Equivalency Program (HEP) and College Assistance Migrant Program (CAMP). He wants you to believe the cuts are not damaging to the program. He wants you to believe that he is seeking only a 6% cut to the overall national Chapter 1, Migrant Education Program budget. Let's look at the facts and consequences to the future of this program should the President succeed.

I. Effects of reduction of $42 million in 1987 and change of migrant student eligibility definition.

A. The Migrant Education Program is being asked to shoulder 6% of the total amount of reductions he has proposed for 1987, even though the Chapter 1, Migrant Education Program constitutes 1.54% of the total U.S. Department of Education budget. In other words, we are being asked to shoulder four times the amount while other programs remain untouched.

B. National Impact

The proposed budget is accompanied again with a request to reduce the period of eligibility a settled out migrant can be counted for funding purposes from five years to two years. This means that nationwide 239,499 students would be removed from the program. This will result in a 44% reduction of the total number of students removed from the MSRTS and from the program services. The request calls for these students to be phased out over the next two years, 1986 and 1987.

There is no question that since only 55.2% of MSRTS' current total number of students served will remain eligible for services, the Administration will again argue to reduce the FY88 budget accordingly.

C. Washington State Impact

Washington State generates funds from a current base of 13,333 FTE or 25,032 duplicate student count. Within the 13,333 FTE state total, 6,066 FTE is generated by migrant students in their 3rd. 4th and 5th years of settling out. This means that 45% of the FTE student count, which derives Washington state's funds, will be lost. The net loss of funds to Washington State in FY 88 will be 61% or $5,307,000.

It should be noted, however, that the total count of migrant students who move on an inter/intrastate basis, and the number who will remain eligible in the first and second year after they have settled out will remain at a level of 20,183.

With a projected FY88 grant of $3,393,000, and the need to continue to concentrate on a total of 20,183 duplicate count migrant students, the amount that will be available to serve these students will be $168.11 per student statewide. If all funds are made available for direct academic services, no funds will be available for MSRTS, identification and recruitment, home school visitations, parent involvement, counseling, medical examinations, exchange of credits, interstate activities and curriculum development activities--all essential elements to the Migrant Education Program, many of which have received national recognition for their effectiveness.

Chapter 1, Regular will not be able to serve the majority of 3rd, 4th, and 5th year students currently served in the Washington State Chapter 1 Migrant Education Program. The following analysis made from comparison made between Chapter 1, Regular and Chapter 1, Migrant Education illustrates the effects to the sixty school districts that receive both Chapter 1, Regular and Chapter 1 Migrant Education Program funds in Washington State.

Comparison Between Chapter 1, Regular and Chapter 1, Migrant Education Programs (By Funds, Students and Services)

A. Total number of school districts included for Chapter 1, Regular and Migrant Education Programs: 60

B. Total amount of dollars for each school district in:

| | | |
|---|---|---|
| 1. | Chapter 1, Regular Program | $ 9,613,891** |
| 2. | Chapter 1, Migrant Education Program | 6,529,995 |
| | | $16,143,886 |

C. Percent of dollars spent in (B) above, by:

| | | |
|---|---|---|
| 1. | Chapter 1, Regular Program | 59.6% |
| 2. | Chapter 1, Migrant Education Program | 40.4% |

D. Total number of students served, duplicate count, in:

| | | |
|---|---|---|
| 1. | Chapter 1, Regular Program | 47,612 |
| 2. | Chapter 1, Migrant Education Program | 27,573 |
| | | 75,185 |

E. Percent of students served in (D) above, by:

| | | |
|---|---|---|
| 1. | Chapter 1, Regular Program | 63% |
| 2. | Chapter 1, Migrant Education Program | 37% |

F. Cost per student for:

| | | |
|---|---|---|
| 1. | Chapter 1, Regular Program (9,613,891 ÷ 47,612) | $201.92/ per student |
| 2. | Chapter 1, Migrant Education Program (6,529,995 ÷ 27,573) | $236.82/ per student |

G. Type of service provided to each child with greatest need in:

1. Chapter 1, Regular Program
   - (a) Readiness
   - (b) Reading
   - (c) Communication
   - (d) Math
2. Chapter 1, Migrant Education Program
   - (a) Readiness
   - (b) English as a Second Language/Oral Language Development:
     - (1) Reading: English/Spanish
     - (2) Math: English/Spanish
   - (c) Secondary Credit Exchange
   - (d) Correspondence Courses for Secondary Students
   - (e) MSRTS: Skills Information/Educational and Health Records
   - (f) Parent Advisory Training
   - (g) Summer School Programs
   - (h) Handicapped Services
   - (i) Science/Social Studies (if child is in need of credit)

The other noteworthy factor is that 2,391,542 for one school district, Tacoma School District and N&D funds granted to several of these 60 districts are included as part of the $201.92 per pupil expenditure.

As noted earlier, 6,066 migrant children are presently identified in the 6th, 5th and 4th year of settled out status require at least two types of service. On a 24,264 duplicate count basis, they will not be able to be served in the Chapter 1, Regular program unless migrant children currently served in districts are removed from the Chapter 1, Regular program.

The community strife that will result is yet to be examined. There is evidence that local residents who see their children displaced from programs by "these migrants" will become very resentful toward migrant students who displace their children. No doubt there will once again be dissension among local and migrant communities leading to an untenable position for school administrators and teachers.

### II. Elimination of the Authorization of Six Million For MSRTS Section 143 Inter/Intra State Activities

The Administration is again proposing to eliminate the authorization of $6 million for the MSRTS and Section 143 inter/intra state coordinating activities. This, we believe, is out of character for the Administration and the state rights policies it champions since this funding process was originally established by the states themselves. It is the expressed opinion of the states that they continue to rely on the minimum of $6 million to ensure that the needs of states are met in this highly technological area and that successful inter/intra state activities are continued.

MSRTS is the heart of the national Migrant Education Program. It enables schools in each of the participating states, the Commonwealth of Puerto Rico and District of Columbia to have ready access to a migrant student's scholastic and health records. This allows educators to quickly place the highly mobile migrant child in the appropriate educational program. Critical to the education of migrant children is the need to provide for continuity of this educational program despite the frequent move they make. The reading, math, language and preschool skills is a showcase for education nationwide which addresses the problem of continuity of education. It is one of the key features made possible by the MSRTS. The MSRTS also provides the data which enables states to be reimbursed under the Chapter 1, Migrant Education Program based on the actual number of migrant students enrolled.

What is so disturbing and contradicting is that the Administration has repeatedly stated that the states need to be given more liberty in the administration of federally funded programs. It appears from this particular action taken that the Administration continues to want to deny the states the right to determine funding levels for the MSRTS within those levels established in Section 143.

## III. Effects of the Budget Request on the High School Equivalency and College Assistance Migrant Programs (HEP/CAMP)

The Administration's budget again recommends that the HEP/CAMP be discontinued at the end of FY86. These have been enormously successful programs in assisting students from migrant farmworker families to complete their high school education, to enter, persist and complete postsecondary education. These programs are tailored to the unique educational needs of migrant students, and there are no other programs that provide comparable services to these students.

The rationale given for the discontinuation of these programs suggests that the services are too expensive and duplicate similar available services. This charge is without merit. There are no similar services or programs which can provide the type of services rendered by the HEP/CAMP Programs. What is too costly? Should we help educate these students now and pay a reasonable amount or should we, through this visionless act, sentence these students to a life of welfare if not crime?

Distinguished members of Congress, I appeal to you to put a stop to this callous and irresponsible behavior; tell those intransigent educators advising the President who apparently are incapable of understanding your message of 1981, 1982, 1983 and 1984 that you will not accept their simplistic and deceptive requests.

Tell them once and for all that this Nation is grateful to the migratory workers of this nation for helping to put food on every American's table. Do this by refusing to accept these budget cuts and program definition changes. In doing so, you will be making a statement to the migratory farmworker, on behalf of every decent American, that you are grateful to them. They know who has protected their children during the past four years.

They have no other voice; they truly belong to this Nation and in a real sense, their future is in your hands. They do not ask for welfare. They only ask that you help educate their children; they want their children to have the opportunity they could not have.

## STATEMENT OF SARAH MOORE

I appreciate the opportunity to testify before the Labor, Health and Human Services, Education and Related Agencies Appropriations Subcommittee. On behalf of the National Association of State Directors of Migrant Education, I will attempt to act as a spokesperson for the some one-half million children of migratory farmworkers and fishermen. In 1966 Congress added an amendment to the original ESEA Title I legislation which was designed to insure that migrant children would derive educational benefits from federal aid to the economically disadvantaged. Today the administration is seeking to limit severely the numbers of children who can benefit from that aid and to reduce significantly the length of time they can be provided supplemental educational assistance. This request comes at a time when national reports are indicating a continued need for supplemental assistance among many of our nation's public school students.

These reports indicate that in our public schools one of five children live below the poverty line, that an increasing proportion of students live in a single-parent home and were born of a teenage mother, and that most poor children are also minority children. At the same time other reports, such as the results of the National Assessment of Education Progress (NAEP), reveal that the academic achievement of disadvantaged pupils has shown significant improvement, with the greatest gains observed among the lowest achievers. These lower achievers are predominantly minority students, indicating that the efforts of Title I - Chapter 1 programs have made a difference and that it is indeed possible to overcome the inequalities of student home environment and to reduce the achievement inequalities that have plagued our nation. There is now evidence to dispute the pessimism of earlier reports, evidence that indicates that schooling can and does make a difference.

Despite evidence of its success, Chapter 1 serves significantly fewer children today that it did just five years ago. The numbers being served are reduced, not because the need is less but because the resources have been reduced by funding squeezes and the effects of inflation.

Those who argue that migrant children would continue to be served by regular Chapter 1 programs if the migrant program were eliminated have not done their homework. There are two primary reasons Chapter 1 does not provide services to many migrant children. First, regular Chapter 1 funds are targeted largely to urban school districts whereas migrant children enroll in rural school districts. Second, fall Chapter 1 classes are established in the spring or summer, when many migrant students are not enrolled in their fall school districts at that time so are not included in classes. When they do arrive the classes are full.

Without a nationally coordinated migrant program, local educational districts cannot provide the educational continuity these children so desperately need. The migrant child is a national child, and the federal government must not abdicate its responsibility in this area.

Because of capping, the Migrant Education Program in FY 1985 was funded at $264.5 million rather than the $449.1 million generated by identified eligible children. The request to reduce the budget in FY 1986 by $42 million indicates disregard of the effect that the program has had in changing the lives of participants.

These participants differ in intellectual abilities and in achievement levels, but most of them share the burdens of poverty and mobility which impact on the learning that takes place in our classrooms. Many families live on the economic edge of survival, working at low wages when crops are ready, and waiting when they are not. Because these children of migratory workers must move with their families for economic survival, they regularly arrive at schools to find classes already full. Not only are their personal lives disrupted by frequent moves, but the educational program into which they are placed is often incompatible with the one from which they moved. Too many times they are placed in classes based not upon their individual educational needs but upon the needs of the school to maintain reasonable class sizes and teacher loads. Too often they fail because they are tested on materials that have never been taught to them.

Unless supplemental assistance remains available to help them adjust to the new educational environment, they must adjust alone to frequent changes in schools, teachers, classmates, educational philosophy and curricula, minimum standards and graduation requirements. For many, it is easier to drop out, to simply not enroll in a new school, than it is to continue to adjust to these changes, especially when mobility makes attainment of minimum attendance or achievement requirements impossible.

There are those who have also suggested that the authorizing legislation should reduce the period of eligibility from five years to two. Congress has reviewed this issue before, and retained the current definition. Those of us who work in the field know how important it is to continue to provide services for several years because the mark of many years of mobility and educational disruption is not easily erased by one or maybe two years of special programming. We all can name several families who had full intention of settling out, but due to changing economies and marginal job skills were once again thrown into the migrant stream. While program priority should certainly continue to remain on students who have moved within the past twelve months, those who may try to settle out should not be neglected.

While there are differences among migrant children and their families, many suffer the bond of social isolation that is due to their migrancy. You will not see "typical migrant" parents before you or boards of education pleading the cause for special educational programs for their youngsters. They often lack knowledge of and experience with the concept and processes of local control of schools. They lack political power because of their mobility, their own lack of education, and their low socio-economic status. Their concern is economic survival. They are the disenfranchised who have neither the time nor the knowledge to work through boards of education to insure that appropriate educational opportunities are available for their children as they move across school districts and state boundaries in pursuit of employment. They rarely have the time, resources, or training to influence educational policies affecting their children, nor do they have the political acumen to affect legislation or allocations that will benefit their children.

These, however, are families contributing to the nation's welfare. They perform backbreaking labor at subsistence wages to put food on the nation's tables. Indeed, it is questionable whether American agriculture could maintain its leadership in the free world without the manpower provided by these migrant families.

All is not bleak. I can share with you some of the successes the program has had. I can tell you about the high school dropout who is employed as an aide working with migrant students in Georgia and about to graduate from college and get her teaching certificate. She plans to continue to work with migrant students. There are state directors of Migrant Education Programs who were formerly migrant workers moving across the country with their families; there are other former migrants who are successful in the classroom as teachers and in the schools as administrators; there are lawyers and college professors and national league ball players who once picked crops, worked as fishers, picked up pecans, planted and harvested, milked and plowed, and through myriad other jobs helped to provide food for the nation's dinner tables. However, there are thousands still in the forests, fields, and fishing boats who continue their backbreaking labor. While some have chosen to continue to work at the jobs they performed as children and which their parents performed, most continue without choice. They have no options because they have no other job skills and very low levels of educational attainment. We hope that through migrant education, their children can have more.

The long-term consequences of not providing appropriate educational opportunities and services to migrant children are too costly. The chances of children failing grades, dropping out of school, and being relegated to a lifetime of underemployment or unemployment, are substantially increased. Instead of becoming productive tax-paying citizens, they can become drains on society in terms of welfare and unemployment costs and, possible crime. The capital investment for education is very modest when compared to the resulting problems if appropriate education is not provided.

I would like to express my appreciation to the Committee for allowing me to address you on this important issue. I am certain that the decisions you make will reflect the most careful thought and consideration and will be in the best interest of our nation's students.

## STATEMENT OF MICHAEL CASSERLY, DIRECTOR OF LEGISLATION AND RESEARCH, COUNCIL OF THE GREAT CITY SCHOOLS

Senator WEICKER. The next witness is Michael Casserly, director of legislation, Council of the Great City Schools.

Mr. CASSERLY. Good morning, Mr. Chairman.

Senator WEICKER. Good morning.

Mr. CASSERLY. My name is Michael Casserly. I am director of legislation and research for the Council of the Great City Schools, and I am pleased to have this opportunity to testify before the subcommittee this morning. I will be brief. I know you have lots of witnesses stacked up behind me.

Before I begin, I would like to call your attention to pages 6 and 7 of my written testimony. These tables give a comprehensive picture of the trends in Federal funding on a city-by-city, program-by-program, and year-by-year basis since fiscal year 1980. I brought more detailed individual city data with me for the Committee.

As the chairman knows, the council's membership serves 4.2 million inner-city youngsters, or about 11 percent of the Nation's public school enrollment. Approximately 32 percent of the Nation's black children, 27 percent of the Nation's Hispanic children, and 21 percent of the Nation's Asian children are being educated in our 35 member urban school systems. Almost one-third of our enrollments are children who reside in families receiving public assistance, and nearly 75 percent of the average enrollment is minority.

I recite these statistics, Mr. Chairman, because it is in our cities and with these children where the Federal Government's role in education is most evident and where the investment in our future, I believe, is best made. The 35 urban school systems comprising the council receive approximately $1.6 billion from all Federal sources during the current school year. Of this amount, approximately $968 million comes from the Department of Education, down 5.2 percent in nominal terms from the fiscal year 1980 level of just over $1 billion.

These reductions between fiscal year 1980 and fiscal year 1984 in Federal support for inner-city schools, in general, has been more severe than the average cuts nationally. Our own data indicate that 36.2 percent of all Federal elementary and secondary education cuts was absorbed by the inner-city public schools since fiscal year 1980, despite the fact that these 35 districts have only 11 percent of the Nation's public school children.

The outcome, in general, of these cuts was that Federal funds over this period have become less targeted rather than more targeted in these inner-cities over this area. As the chairman knows, the fiscal year 1980 appropriations bill first marked the elementary and secondary education spending since 1981. The council is profoundly grateful for this as a member of the education communities and is grateful to the chairman for his interest in education.

In particular, the funding of the new Magnet School Assistance Program will help considerably in restoring funds that will alter the chapter

2 consolation. Furthermore, the new funding will bring the urban school Federal dollar level back to that which existed before the 1981 Omnibus Budget Reconciliation Act, although the Federal share of total elementary and secondary funding continues to be below the fiscal year 1980 level.

In real terms, Federal funding has been cut substantially by the administration and by the effects of inflation since fiscal year 1980. Between fiscal year 1980 and 1985, the inflation-adjusted Department of Education expenditures in city schools dropped from $233 per child to $188 dollars per child, a decline of 19.3 percent. There is little evidence, unfortunately, that these Federal cuts to the inner-cities have been made up through either an improved economy or local and private State sources as the administration has intended.

Our preliminary data indicate that while Federal dollars were declining by this 19 percent, city generated revenues dropped by 10.4 percent and State revenues by 3.6 percent dispute recent education reforms.

The result was that real inflation adjusted spending from all levels of government, local, State, and Federal, on the inner-city schools declined from $2,824 per child in fiscal year 1980 to $2,605 per child in fiscal year 1984, a drop of nearly 8 percent.

By and large, these cuts in Federal funds to cities have been too large and too specialized to have been made up by the States.

In general, any new funding generated by the State reforms has been designated for across-the-board benefit rather than for well-targeted programs. New State support for education has not been large enough or targeted enough on cities on the poor to offset the Federal losses, nor has the administration's responses to issues of equity been sufficient to raise hopes for the cities that new funding might be forthcoming from other sources.

### PREPARED STATEMENT

Mr. Chairman, in my written testimony, I have recommendations for appropriations for a number of programs, including chapter 1, Impact Aid B Program, the Magnet School Assistance Act, Public Law 94-142, and vocational education.

Mr. Chairman, in general, I would recommend that for every new dollar for elementary and secondary education that there is to spend in fiscal year 1986 approximately 50 cents of it go to the chapter 1 program.

Senator WEICKER. Thank you very much for your testimony. I appreciate your attendance.

Mr. Casserly. Thank you.

[The statement follows:]

## STATEMENT OF MICHAEL CASSERLY

Mr. Chairman, my name is Michael Casserly, Director of Legislation for The Council of the Great City Schools. I am pleased to have the opportunity to testify before this important Subcommittee on federal spending for elementary and secondary education programs.

Currently in its 29th year, The Council of the Great City Schools is a national organization comprised of 35 of the nation's largest inner-city school systems. On our Board sit the Superintendent and one Board of Education member from each district, making The Council the only education group so constituted and the only one whose membership and purpose is solely urban.

The Council's membership serves 4.2 million inner-city youngsters, or about 11% of the nation's public school enrollment. Approximately 32% of the nation's Black children, 27% of the Hispanic children, and 21% of the Asian children are being educated in our schools. Almost one-third of our enrollments are of children who reside in families receiving public assistance, and nearly 75% of the average enrollment is minority.

Mr. Chairman, I would like to devote my testimony this morning to a review of changes in federal support for education since FY80 and of the effects of these changes on our inner-city schools.

The 35 urban districts comprising The Council received $1.602 billion from all federal sources this current (1984-85) school year, down from the FY80 (1980-81) level of $1.742 billion or a decline of 8.1%. Of this current funding, approximately $967.4 million comes from the Department of Education, down 5.2% from the FY80 level of $1.021 billion. Nearly 70% of the funds received from the Department of Education come through the Chapter 1 program.

These reductions between FY80 and FY84 in federal support for inner-city schools, in general, were more severe than the average cuts nationally. Between FY80 and FY82, alone, total federal elementary and secondary spending dipped from $7.064 billion to $6.060 billion, or $1.003 billion (14.2%), pursuant to The Administration's request to cut 25% across-the-board. During this period, funding to urban schools from the Department of Education declined by $207.7 million. In other words, the nation's urban schools absorbed 20.7% of the federal education cuts between FY80 and FY82 while having but 11% of the nation's public school children.

As the Chairman knows, Congress began to rethink its cuts and restored some funding in FY83 and FY84. Nearly $855.7 million were restored to elementary and secondary education funding over that period. The net result between FY80 and FY84 was that a total of $147.5 million was cut from the federal elementary and secondary school budget, $53.3 million or 36.2% of which was absorbed by inner-city public schools. The outcome, in general terms, was that federal money became less rather than more targetted on our inner-cities during that period.

The FY85 appropriations bill marked the first major restoration of elementary and secondary education spending since 1981. The Council is profoundly grateful for this as a member of the education community. In particular Mr. Chairman, the funding of the new Magnet School Assistance program will help considerably in restoring funds that were lost through the Chapter 2 consolidation. Furthermore, the new funding will bring the urban school federal dollar level back to that which existed before the 1981 Omnibus Budget Reconciliation Act (see Table 1), although the urban share of total funding continues to be below FY80.

In real terms, federal funding to urban schools has been cut substantially by The Administration and by the effects of inflation since FY80. Between FY80 and FY85, the inflation-adjusted federal education expenditures in city schools dropped from 33 per child to $188 per child, a decline of 19.3%

Table 1. Great City School Education Funding Share of All Federal Elementary and Secondary Education Appropriations*

(in thousands)

| | FY80 | FY82 | FY84 | FY85 | Δ |
|---|---|---|---|---|---|
| Elem./Sec. Approp. | $7,063,976 | $6,060,736 | $6,915,432 | $7,548,859 | + 6.9% |
| Great City Schools | $1,020,740 | $ 813,081 | $ 967,409 | $1,063,414 | + 4.2% |
| % | 14.45% | 13.42% | 13.99% | 14.09% | |

*Includes appropriations for Compensatory Education, Special Programs and Populations, Impact Aid, Indian Education (ED only), Bilingual Education, Special Education, Vocational Education and Adult Education.

There is little evidence, unfortunately, that these federal cuts to the inner-cities have been made up through either an improved economy or local, state and private sources as The Administration has contended. Our preliminary data indicate that while federal dollars were declining, city-generated revenues dropped by 10.4% and state revenues by 3.6% despite recent state education reforms. The result was that real inflation-adjusted spending from all levels of government on inner-city schools declined from $2,824 per child in FY80 to $2,605 per child in FY84, a drop of 7.8%.

By-in-large, the cuts in federal funds to the cities have been too large and too specialized to have been made up by the states. Generally, any new funding generated by the state reforms has been designed for across-the-board benefit and teacher pay increases rather than for well-targetted aid packages to make up federal cuts from the poor. New state support for education, then, has not been large enough or targetted enough on cities or the poor to offset federal losses nor has The Administration's response to issues of equity been sufficient to raise hopes for the cities that new funding might be forthcoming from other sources.

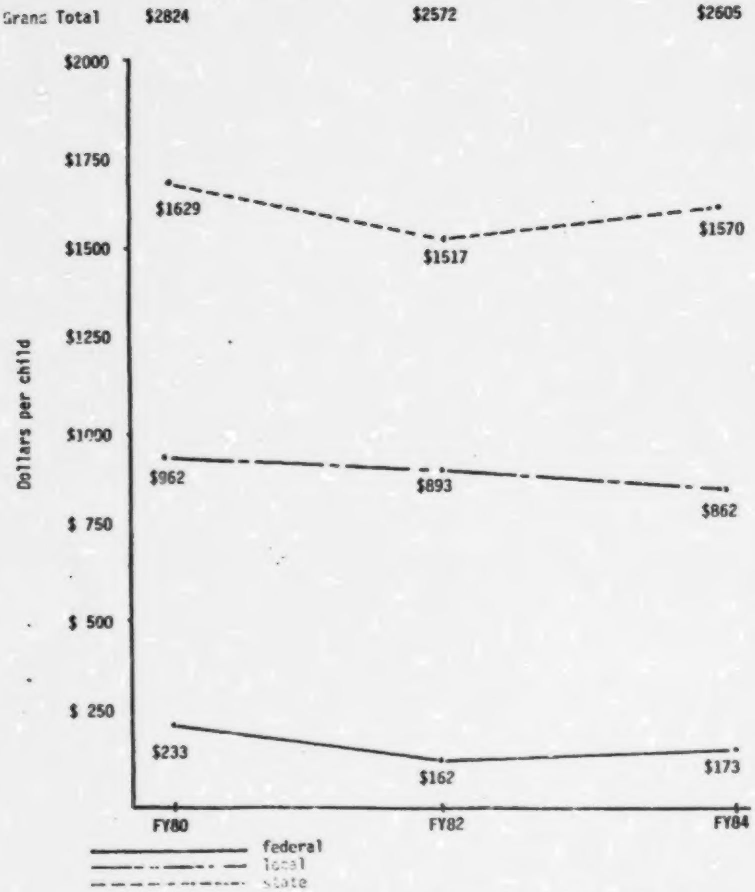
The effects of this erosion in funding for urban schools have been serious indeed and have included the reduction in services to thousands of needy children, teaching jobs, programming, and desegregation activities. Compensatory reading and mathematics programs have been virtually eliminated in urban high schools; voluntary desegregation efforts have been curtailed, vocational education programs have been closed, and in-school job training programs in the inner-cities have been nearly eliminated. In all, over 100,000 inner-city youngsters have lost federal program support since FY80, and the cuts in general have worked to increase class size--a crucial factor in system-wide achievement scores.

Mr. Chairman, in conclusion, The Council would like to thank you for your continuing support of the Chapter I program and in particular for your support for the Magnet Schools Assistance Act. We would also recommend for FY86 that the Committee:

1.) Increase Chapter 1 in FY86 at least to cover inflation;
2.) Provide $100m for the Chapter 1 Concentration Grants;
3.) Maintain funding for Impact Aid "B" children, especially low-rent housing children;
4.) Provide $75m for the Magnet Schools Assistance Act;
5.) Increase P.L. 94-142 at least to cover inflation;
6.) Increase funding for vocational education by $125 million;
7.) Maintain all other elementary and secondary education programs at their FY85 levels.

Thank you very much. I will be happy to answer questions.

**Local, State and Federal Spending on Great City Schools in 1980**
**Dollars per Child***



* Includes funds only from the Departments of Education, Labor and HHS; data based on a random sample of 14 of 35 districts.

### City-by-City Federal Budget Allocations*
(nominal dollars)

| School District | 1980-81 | 1981-82 | 1982-83 | 1983-84 | Current School Year 1984-85 | Final FY85 App. 1985-86 | Reagan Proposed 1986-87 |
|---|---|---|---|---|---|---|---|
| Albuquerque | $ 14,083,285 | $ 13,008,692 | $ 12,795,123 | $ 12,734,290 | $ 13,602,498 | $ 13,965,507 | $ 13,935,163 |
| Atlanta | 30,009,802 | 27,412,954 | 26,889,531 | 27,002,478 | 30,355,256 | 30,452,148 | 30,062,480 |
| Baltimore | 62,840,099 | 43,088,819 | 44,671,587 | 42,474,272 | 46,408,762 | 48,294,290 | 48,293,474 |
| Boston | 30,557,319 | 24,744,599 | 24,514,350 | 26,169,642 | 27,242,161 | 28,344,928 | 28,094,928 |
| Buffalo | 25,521,684 | 27,181,853 | 20,247,125 | 21,390,062 | 22,224,902 | 27,141,288 | 23,081,288 |
| Chicago | 182,201,840 | 159,437,692 | 179,970,256 | 202,195,000 | 183,471,162 | 192,855,583 | 189,177,599 |
| Cleveland | 52,554,632 | 37,647,731 | 28,722,441 | 28,836,953 | 29,754,084 | 32,950,940 | 31,450,940 |
| Columbus | 24,812,041 | 20,289,655 | 16,633,589 | 16,959,959 | 18,004,426 | 19,254,695 | 18,429,695 |
| Dade County | 86,147,599 | 62,744,795 | 62,943,015 | 73,842,388 | 72,414,896 | 73,209,125 | 72,915,840 |
| Dallas | 34,143,269 | 33,552,709 | 31,568,753 | 29,766,297 | 31,457,891 | 32,954,641 | 32,152,652 |
| Denver | 21,282,522 | 15,550,433 | 16,866,681 | 17,182,385 | 17,625,183 | 17,522,258 | 17,022,258 |
| Detroit | 90,084,170 | 75,658,412 | 72,459,534 | 68,218,577 | 76,447,254 | 79,223,646 | 78,901,536 |
| Indianapolis | N/A | 10,916 800 | 8,238,762 | 7,846,106 | 8,383,368 | 9,466,477 | 8,935,477 |
| Long Beach | 13.690,607 | 13,224,291 | 13,211,153 | 15,509,792 | 17,139,329 | 16,951,297 | 16,951,297 |
| Los Angeles | 187,419,277 | 155,797,926 | 156,655,049 | 173,064,243 | 182,733,211 | 186,469,505 | 185,436,330 |
| Memphis | 37,404,175 | 32,616,642 | 32,248,403 | 33,198,610 | 35,787,947 | 36,506,881 | 36,506,881 |
| Milwaukee | 34,797,799 | 21,547,803 | 25,219,645 | 25,179,235 | 28,133,446 | 30,243,641 | 28,243,641 |
| Minneapolis | 13,397,405 | 11,848,890 | 10,736,267 | 10,862,954 | 10,903,326 | 10,952,947 | 10,702,947 |
| Nashville | 14,774,921 | 13,575,369 | 13,319,743 | 12,861,559 | 13,439,660 | 13,696,253 | 13,184,714 |
| New York | 389,332,270 | 336,324,612 | 337,162,902 | 375,336,712 | 409,385,016 | 420,229,079 | 418,897,678 |
| New Orleans | 31,100,757 | 29,061,300 | 24,761,991 | 27,180,861 | 33,484,000 | 34,213,877 | 34,101,137 |
| Norfolk | 16,350,218 | 12,807,301 | 15,358,073 | 13,435,206 | 14,518,703 | 13,319,046 | 13,319,045 |
| Oakland | 20,997,840 | 17,304,179 | 17,505,516 | 17,692,432 | 18,127,619 | 18,409,343 | 17,941,590 |
| Omaha | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Philadelphia | [illegible] | [illegible] | 87,515,165 | 92,963,921 | 98,797,555 | 102,593,608 | 101,403,200 |
| Pittsburgh | 24,756,132 | 22,023,065 | 20,539,270 | 19,861,612 | 19,659,800 | 19,977,151 | 19,218,151 |
| Portland | 15,177,921 | 13,466,260 | 12,155,088 | 12,357,308 | 12,695,241 | 13,058,201 | 12,896,568 |
| Rochester | 17,172,859 | 16,051,783 | 13,219,198 | 13,255,206 | 13.964,133 | 15,748,351 | 14,248,351 |
| San Francisco | [illegible] | [illegible] | 18,175,603 | 18,761,202 | 19,684,072 | 20,221,793 | 19,363,079 |
| St. Louis | 35,825,013 | 31,062,686 | 24,672,506 | 24,102,519 | 23,882,836 | 28,485,211 | 24,485,412 |
| St. Paul | 13,653,500 | 11,377,773 | 9,426,139 | 10,481,124 | 9,880,795 | 10,652,792 | 10,129,092 |
| Seattle | 20,861,028 | 13,743,228 | 11,387,615 | 11,481,333 | 11,541,942 | 12,501,245 | 11,501,245 |
| Toledo | 12,195,497 | 11,036,965 | 9,904,456 | 10,764,112 | 11,563,009 | 11,828,473 | 11,804,946 |
| Tulsa | 7,707,524 | 7,677,691 | 7,234,315 | 7,641,643 | 8,442,769 | 8,949,720 | 8,699,720 |
| Washington | 50,511,209 | 42,800,034 | 39,174,965 | 39,969,432 | 41,749,179 | 41,123,858 | 41,110,418 |
| Total | $1,742,486,074 | $1,482,786,347 | $1,434,032,613 | $1,535,661,354 | $1,601,489,413 | $1,657,697,952 | $1,608,986,001 |

*Includes funds from the Departments of Education, Labor, Agriculture, HHS, Energy, HUD and others.

Total 1980-85 unadjusted change: -7.7%  Total 1980-86 inflation adjusted loss: -35.3%

### Program-by-Program Federal Budget Allocations to Great City School's
### 1980-81 to 1986-87
### (School Years)

| Educational Programs | 1980-81 | 1981-82 | 1982-83 | 1983-84 | Estimated 1984-85 | Estimated 1985-86 | Projected 1986-87 |
|---|---|---|---|---|---|---|---|
| Chapter 1 (1) | $ 591,989,372 | $ 553,687,548 | $ 539,543,735 | $ 600,101,769[2] | $ 689,382,668[2] | $ 724,852,360 | $ 724,852,360 |
| Migrants | 2,339,387 | 2,359,072 | 2,314,285 | 2,563,467 | 2,561,743 | 2,676,277 | 1,750,000 |
| Handicapped | 9,740,237 | 11,324,019 | 11,763,745 | 15,012,681 | 15,037,989 | 15,412,604 | 15,412,604 |
| Neg. Del. | 1,228,097 | 1,196,192 | 1,463,616 | 1,479,358 | 1,555,090 | 1,555,090 | 1,555,090 |
| St[illegible] | 225,000 | 225,000 | 225,000 | 215,000 | 225,000 | 232,800 | 232,800 |
| Chapter 2 | 152,351,970 | 104,556,650 | 61,569,499 | 58,309,778 | 58,788,995 | 65,226,165 | 65,226,165 |
| Handicapped Education | 79,282,626 | 73,908,129 | 75,938,369 | 81,975,759 | 88,374,472 | 94,119,883 | 92,119,883 |
| Vocational Education | 54,535,639 | 51,941,525 | 53,635,456 | 58,416,055 | 57,385,738 | 60,000,000 | 60,000,000 |
| Adult Education | 14,[illegible],987 | 14,455,074 | 13,371,621 | 12,192,965 | 12,731,754 | 12,731,754 | 12,731,754 |
| Bilingual Education | 32,100,006 | 29,360,056 | 22,046,389 | 25,427,068 | 25,012,682 | 26,000,000 | 26,000,000 |
| Indian Education | 3,540,084 | 3,469,108 | 3,395,824 | 2,840,019 | 2,876,244 | 3,000,000 | 3,000,000 |
| Impact Aid | 59,857,346 | 23,152,688 | 21,499,483 | 18,438,456 | 18,973,616 | 23,000,000 | 5,000,000 |
| Follow Through | 9,082,965 | 4,933,892 | 4,060,747 | 2,543,594 | 2,654,332 | 1,797,475 | 0 |
| Civil Rights IV-A | 2,372,260 | 3,011,751 | 477,089 | 0 | 0 | 0 | 0 |
| Career Education | 458,765 | 503,773 | 287,420 | 52,000 | 0 | 0 | 0 |
| Law Education | 679,700 | 715,499 | 0 | 49,271 | 0 | 0 | 0 |
| Women's Equity | 351,593 | 149,186 | 133,721 | 294,831 | 131,394 | 131,394 | 0 |
| Alcohol-Drug | 655,000 | 755,066 | 712,000 | 477,075 | 427,945 | 427,945 | 427,945 |
| Other* | 102,300 | 703,473 | 592,490 | 597,677 | 298,386 | 300,000 | 0 |
| Math/Science Ed. | -- | -- | -- | -- | -- | 7,000,000 | 7,000,000 |
| Magnet Schools | -- | -- | -- | -- | -- | 25,000,000 | 0 |
| Subtotals | $1,020,739,753 | $ 881,013,701 | $ 813,080,583 | $ 881,986,823 | $ 967,409,048 | $1,063,413,747 | $1,015,308,601 |
| **Labor Programs** | | | | | | | |
| CETA/JTPA | $ 187,024,262 | $ 59,720,043 | $ 39,519,060 | $ 25,870,038 | $ 24,517,974 | $ 24,500,000 | $ 24,500,000 |
| **Agriculture Programs** | | | | | | | |
| Child Nutrition | $ 472,495,813 | $ 484,175,776 | $ 516,632,982 | $ 540,643,452 | $ 563,154,196 | $ 530,000,000 | $ 530,000,000 |
| Nutrition Education | 233,671 | 156,722 | 15,000 | 15,000 | 0 | 0 | 0 |
| Subtotals | $ 472,729,484 | $ 484,332,498 | $ 516,647,982 | $ 540,658,452 | $ 563,154,196 | $ 530,000,000 | $ 530,000,000 |
| **HHS Programs** | | | | | | | |
| Refugee Aid | $ 16,827,455 | $ 13,630,161 | $ 14,002,881 | $ 18,027,961 | $ 6,466,551 | $ 0 | $ 0 |
| Day Care | 17,349,347 | 15,973,392 | 14,204,178 | 14,756,881 | 13,943,265 | 13,943,265 | 13,943,265 |
| Head Start | 17,137,098 | 17,552,464 | 18,599,731 | 19,379,710 | 19,838,135 | 19,834,135 | 19,834,135 |
| Subtotals | $ 51,373,369 | $ 47,156,017 | $ 46,806,790 | $ 52,164,552 | $ 40,243,951 | $ 33,777,400 | $ 33,777,400 |
| **Energy Programs** | | | | | | | |
| Conservation Grants | $ 3,098,214 | $ 3,936,299 | $ 1,397,953 | $ 1,015,168 | $ 2,156,205 | $ 2,156,805 | $ 1,500,000 |
| **Housing Programs** | | | | | | | |
| Community Dev. | $ 4,974,209 | $ 3,934,764 | $ 14,105,164 | $ 15,776,758 | $ 1,514,774 | $ 1,500,000 | $ 1,500,000 |
| **Other** | | | | | | | |
| Public Broadcast. | $ 1,471,134 | $ 1,637,453 | 1,670,615 | $ 1,504,915 | $ 1,624,503 | $ 1,600,000 | $ 1,650,000 |
| Miscellaneous* | 1,615,393 | 1,060,582 | 201,462 | 15,704,648 | 868,062 | 750,000 | 750,000 |
| GRAND TOTALS | $1,742,406,074 | $1,492,706,387 | $1,434,032,613 | $1,535,66[illegible],354 | $1,601,489,413 | $1,657,897,952 | $1,608,936,001 |

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* Includes National Diffusion Network, Research and Special Grants

1 Includes Cuban Refugee funds

* Includes National Endowment for the Arts, National Endowment for the Humanities, ACTION, ROTC, Interior Department Indian Programs, DOT Driver Education, Chicago Desegregation, Smoking Prevention, Pregnancy Prevention and others

2 Approximately 55% of Chapter 1 increase is due to shift in Census base for distributing funds.

537,

## STATEMENT OF WILLIAM B. KEENE, THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS

Senator WEICKER. The next witness is William Keene, the Council of Chief State School Officers.

Mr. KEENE. Good morning, Mr. Chairman. Here is a copy of what has been submitted to the staff. I would like to introduce John Martin from the Council of School State School Officers, who is with me and Mr. Varciloni my administrative assistant. Mr. Chairman, I am Bill Keene, State superintendent of public instruction for Deleware.

I am here today representing the Council of Chief State School Officers, which I serve as Chair of the council's Committee on Legislation.

We believe that it would be shortsighted to compromise the progress that we are making by decreasing Federal funding for education programs. In 1980, $1.19 of every $100 spend by the Federal Government went to programs serving elementary and secondary children. Today, only 79 cents of every $100 goes to these programs.

Federal education funding levels are significantly lower than the amount needed to return services to the levels available in 1980. Federal education programs have been cut significantly and disproportionately since 1980. The buying power, and thus the number of children who can be served, has been decreased in every major education program, while Federal expenditures in general have increased by 21 percent in constant dollars.

Our quality education is both a national priority and a necessity, and we cannot afford a further decline in Federal education funding. Therefore, the council strongly urges you to provide at least a current services level of funding to continue Federal assistance to existing programs. Such a level will enable students to develop the skills necessary for full participation in the development and expansion of our society and economy.

We hope that this committee and every Member of Congress will support a Federal role in education that truly reflects our Nation's commitment to both excellence and equity in education.

We estimate that it would require $439 million over fiscal year 1985 levels to fund elementary and secondary education programs at a current service level in fiscal year 1986.

Mr. Chairman, my written statement goes into some detail about three areas of particular concern to the Council: Chapter 2; civil rights; and data collection. It is most important for you to understand that all education programs need to be funded at a current services level. We must not allow the level of services provided by these programs to deteriorate further. In fact, it is time to begin rebuilding these programs so that we will be able to provide a quality educational experience to every child.

In addition, I believe that the questions that were raised in the past regarding the State role in chapter 2 can best be answered by continued exploration of the impact of the programs leading to reconsideration during the authorizing process and not through the imposition of artificial limits and expenditures at the State level.

As always, Mr. Chairman, the members of the council are fully prepared to work with the members of this subcommittee and your staffs in any way appropriate. I thank you.

PREPARED STATEMENT

Senator WEICKER. Thank you for your testimony. I really appreciate it. Your statement will be placed in the record in its entirety.

[The statement follows:]

## STATEMENT OF WILLIAM B. KEENE

### I. INTRODUCTION

Mr. Chairman, I am William Keene state Superintendent of Public Instruction for Delaware. I am here today representing the Council of Chief State School Officers (CCSSO), which I serve as chair of the Council's Committee on Legislation. The purpose of my appearance here today, Mr. Chairman, is to assist you in understanding how the programs for whose funding you are responsible assist the continuing improvement of education in the United States. My remarks will touch on the Council's general views regarding the budget for federal programs in education, and go into moderate detail regarding a few programs about which are of particular concern to CCSSO.

Members of the Council are the principal administrative officers for public elementary and secondary education in the fifty states, six extra-territorial jurisdictions, and the District of Columbia. In addition, many of our members are responsible for administering vocational education, postsecondary education systems, and vocational rehabilitation activities. Given these responsibilities, the members of the Council feel compelled to speak out about the need to support continuing improvements in education in our country, and the distinct role of the federal government and the programs it provides in that support.

### II. THE NEED FOR "CURRENT SERVICES" FUNDING FOR EDUCATION PROGRAMS

Education in the United States is rapidly changing and improving. We are reaching more young people with a better quality service than we ever have, and we are steadily improving what we are doing. States and localities are taking the lead in reforming and improving education: requirements for students and teachers are being increased, while at the same time we are increasing state and local expenditures for education. For example, more than half the states have in place formal programs to improve teacher preparation and certification. It is estimated that over $125 billion was spent on public elementary and secondary education in 1984-85, up from $115.8 billion in 1983-84.

We believe that it would be shortsighted to compromise the progress that we are making by decreasing federal funding for education programs. In 1980, $1.19 of every $100 spent by the federal government went to programs serving elementary and secondary school children. Today, only 79 cents of every $100 goes to these programs. As Figure 1 shows, federal education funding levels are significantly lower than the amount needed to return services to the level available in 1980. Federal education programs have been cut significantly and disproportionately since 1980: the buying power and thus the number of children

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who can be served have been decreased in every major education program, while federal expenditures in general have increased by 21 percent in constant dollars. Quality education is both a national priority and a necessity; we cannot afford a further decline in federal education funding.

Therefore, the Council strongly urges you to provide at least a current services level of funding to continue federal assistance to existing programs. Such a level will enable students to develop the skills necessary for full participation in the development and expansion of our society and economy. The members of the Council share with your colleagues on the House Education and Labor Committee (see "Views and Estimates of the Committee on Education and Labor on the FY1986 Budget") a conviction that education is as important as any area of the federal budget. We hope that this Committee and every Member of Congress will support a federal role in education that truly reflects our nation's commitment to both excellence and equity in education.

Table I shows that current services funding for federally assisted education programs would not increase expenditures for these programs by a significant amount. We estimate that it would require $439 million dollars over FY85 levels to fund elementary and secondary education programs at a current services level in FY86. Table I also lays out what these increases would amount to for the major elementary and secondary programs administered by the Education Department. The Council recommends that you fund these programs at least at the levels shown in Table I.

## III. SPECIFIC PROGRAMS: ECIA CHAPTER TWO, CIVIL RIGHTS PROGRAMS, AND DATA COLLECTION AND RESEARCH

The three specific program areas I would like to discuss with you today include: ECIA Chapter Two ("Education Block Grant"), the civil rights-related programs administered by the Education Department (including those under Title IV of the Civil Rights Act and the Women's Educational Equity Act), and programs which support the federal role in data collection and research (NCES and NIE). These programs are of particular interest to the Council because they involve state activities, and because they are integral parts of the federal role in education as we recognize it. In addition, we believe that few of the public witnesses who appear before the Subcommittee will discuss these program areas.

ECIA Chapter Two funds are provided to state and local education agencies for a wide variety of school program improvement purposes. 80% of the funds are passed directly to local school districts, while 20% are used at the discretion of state education agencies for statewide services, competitive grants, and other purposes. The Chapter Two program has three primary goals:

1. to simplify intergovernmental finance and administration;
2. to enable states and localities to mount programs which meet their particular needs; and
3. to ensure the broadest possible participation by districts and children.

The state grant portion of Chapter Two is funded for FY1985 at $500 million; a current services level would be $525 million in FY1986. The current funding level is $242 million below the level at which the antcedent programs to Chapter Two were funded in FY1980. This program has clearly already felt the effects of federal budget cuts; if the Congress supports a federal role in school improvement, funding for this program will be increased to at least $525 million.

During the past year, a number of questions have been raised about Chapter Two, and particularly about how states use the funds (20%) allocated to the state level under the formula for the program. While a few national studies have focused on the 80 percent flow-through funds to local education agencies, information concerning the 20 percent state set-aside has been relatively scarce. There has also been misunderstanding about the purpose of these funds and the activities for which they are used. Therefore, CCSSO decided to survey states to ascertain out how SEA's allocate their 20 percent set-aside. A one-page questionnaire was sent to each chief state school officer in March asking for the specific amount of money expended in each of the following categories for the 1983-84 school year:

1. total 20% dollars awarded directly to LEAs as additional grants;
2. total 20% dollars spent by the SEA for Direct Services to LEAs, teachers, principals, administrators and other SEA constituents;
3. total 20% dollars spent for the administration of Chapter Two itself;
4. Other 20% dollars not reported above, with examples of how these funds are used.

Figure II and Table II summarize the results of this survey. Figure II shows in graphic form the average percentage distribution of the 20% funds for the 47 states which responded to the survey. As can be seen, states spend a substantial portion of their funds (23%) on the state-specific "other" category, while they spend very little on the administration of the program itself (13% or 2.6% of total state grant). A number of states pass on some of their 20% funds to local education agencies as additional grants, while more than half of the 20% is used for direct services to the local level from the state. Table II shows, for a sample of states drawn from each federal region of the country, the wide variation in how states use these funds.

Within even these rather broad categories, it is useful to describe some examples of the imaginative and innovative ways Chapter Two funds are being used. In Delaware, state-level Chapter Two funds are used to support the

Delaware Teacher Center and a variety of technical assistance activities to LEAs within the state. In New York, Chapter Two funds have provided the leverage for new state appropriations in several areas. Indeed, the New York Legislature has appropriated over $44 million in new funds to extend work begun with $2.1 million in Chapter Two funds. Alabama, among other activities, has conducted computer workshops for over 1800 teachers and school administrators in the last year, along with evaluating computer software available to schools. North Dakota has used Chapter Two funds to establish a four-phase school evaluation process that is now part of the local accreditation process in that state. Chapter Two funds in Oklahoma have gone for improvements in the State Library Media Improvement Program, while Michigan has used some funds for awards to local education agencies to support writing improvement, career education, and management training programs.

The Council believes that Chapter Two has been a very successful program: states are able to use the funds for the areas of their greatest needs, and these uses vary widely from state to state, as the examples above illustrate. We do not believe that any limitations or changes in how Chapter Two funds may be spent, as was proposed last year, are necessary. We simply do not know enough yet about the impact of any such change to be able to predict its effects. Congress, in the reauthorization process, should make an informed judgment of the impact of any possible changes in the program after careful investigation of what is happening across the country.

Programs which advance the equity agenda of the Nation in education are also of great concern to the Council. Title IV of the Civil Rights Act of 1964 and the Women's Educational Equity Act program support activities which promote race and sex desegregation in a wide range of education programs. The Reagan administration has repeatedly proposed to eliminate these programs, and now proposes to decrease Title IV funding by one-third as the first step in phasing out the program. Yet, these activities are the only programs in the Education Department which support the training and technical assistance necessary to promote voluntary initiatives which will lead to the full achievement of equal educational opportunity for our children. Therefore, we recommend that these programs be funded at a current services level.

A third area of particular interest to our members is data collection, educational assessment, and educational research. In order to extend our ability to assess our achievements in education both among the states and internationally, we must increase support for these activities at the federal level, specifically by increasing support for the National Center for Educational Statistics and allied activities, and by supporting the development of appropriate state and local data systems. As the need for accountability and improvement in educational quality both intensify, the pressure for improved assessment also grows. We need a sufficient and properly directed investment at all levels of government to implement a maximally effective assessment effort. Statistical agencies in other Cabinet departments are typically funded at five to six times the level of NCES, and funds are frequently made available to support the development of state and local systems. We believe that until funding for educational information is increased commensurately, we will be unable to chart adequately our national progress in improving education.

## IV. CONCLUSIONS

Mr. Chairman, while I have gone into some detail about three program areas of particular concern to the Council, it is most important for you to understand that all education programs need to be funded at a current services level. We must not allow the level of services provided by these programs to deteriorate further; in fact, it is time to begin rebuilding these programs so that we will be able to provide a quality educational experience to every child.

In addition, I believe that the questions which have been raised in this Committee regarding the state role in Chapter Two can best be answered by continued exploration of the impact of the program leading to its reconsideration during the authorizing process, and not through the imposition of artificial limits on expenditures at the state level.

As always, Mr. Chairman, the members of the Council are fully prepared to work with the members of this subcommittee and your staffs in any way appropriate. Thank you.

### LE I
### ALERNATIVE POLICIES CHART FOR FY1986 APPROPRIATIONS FOR MAJOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS
(in millions of dollars)

| PROGRAM | FY1985 APPROPRIATED LEVEL (1) | FY1986 CURRENT POLICY (2)* | PRESIDENT'S FY1986 REQUEST (3) | FY86 CUR POL - PRESIDENTS FY86 REQUEST (4) | FY86 CUR POL - FY85 APPR. (2)-(1)=(5) (5) |
|---|---|---|---|---|---|
| CHAPTER I | 3,688.163 | 3,872.571 | 3,646.615 | 225.956 | 184.408 |
| State Administration | 35.607 | 37.387 | 35.607 | 1.780 | 1.780 |
| CHAPTER II | 531.909 | 558.504 | 531.909 | 26.595 | 26.595 |
| State Grants | 500.000 | 525.000 | 500.000 | 25.000 | 25.000 |
| BILINGUAL EDUCATION | 139.265 | 146.228 | 139.265 | 6.963 | 6.963 |
| HANDICAPPED EDUCATION | 1,321.270 | 1,387.334 | 1,306.100 | 81.234 | 66.064 |
| VOCATIONAL REHABILITATION | 1,233.300 | 1,294.965 | 1,216.400 | 78.565 | 61.665 |
| VOCATIONAL EDUCATION | 738.462 | 775.385 | 738.462 | 36.923 | 36.923 |
| ADULT EDUCATION | 100.000 | 105.000 | 100.000 | 5.000 | 5.000 |
| NAT'L INSTITUTE of EDUCATION | 51.231 | 53.793 | 51.231 | 2.562 | 2.562 |
| LIBRARIES | 125.000 | 131.250 | --- | 131.250 | 6.250 |
| IMPACT AID | 695.000 | 729.750 | 543.000 | 186.750 | 34.750 |
| INDIAN EDUCATION | 67.404 | 70.774 | 67.404 | 3.370 | 3.370 |
| TOTAL FOR ELEMENTARY/SECONDARY# | 8,782.159 | 9,221.267 | 8,408.729 | 812.538 | 439.108 |
| TOTAL FOR EDUCATION DEPT | 17,716.118** | 18,601.924 | 15,545.314 | 3,056.610 | 885.806 |

** Adjusted for comparability; excludes the [illegible] million appropriated in P.L. [illegible] to cover the [illegible] shortfall in the Pell Grant program.

* To create the FY1986 current policy program levels, the FY1985 appropriated levels were multiplied by the same constant used by the Congressional Budget Office (CBO): 1.05.

# Includes funds for all of the programs administered by the Offices of Elementary and Secondary Education, Bilingual Education, Special Education and Rehabilitation Services, and Vocational and Adult Education.

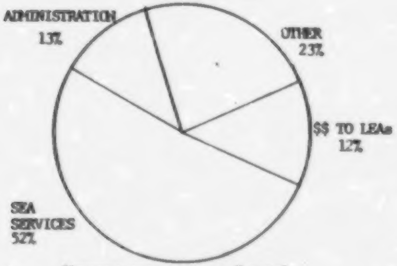
Chart by [illegible], Legislative Assistant
Council of Chief State School Officers
[illegible]

MAY 3, 1985

### TABLE II
### ECIA CHAPTER TWO: STATE-LEVEL EXPENDITURES

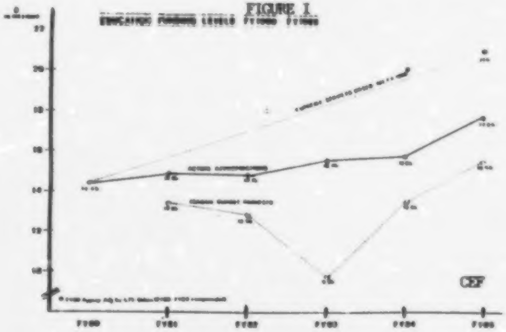
| STATE | REGION | $ TO LEA'S | % OF TOTAL | SEA SERVICES | % OF TOTAL | ADMIN | % OF TOTAL | OTHER | % OF TOTAL | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| RHODE ISLAND | #1 | 0 | 0% | 261,384 | 59% | 79,775 | 18% | 104,701 | 23% | 445,860 |
| NEW YORK | #2 | 0 | 0% | 6,336,000 | 92% | 567,000 | 8% | 0 | 0% | 6,903,000 |
| DELAWARE | #3 | 33,000 | 6% | 109,190 | 20% | 32,054 | 6% | 367,287 | 68% | 541,531 |
| ALABAMA | #4 | 311,292 | 20% | 1,026,960 | 66% | 142,008 | 9% | 76,200 | 5% | 1,556,460 |
| MICHIGAN | #5 | 400,000 | 11% | 2,052,303 | 58% | 290,816 | 8% | 810,706 | 23% | 3,553,825 |
| OKLAHOMA | #6 | 0 | 0% | 571,408 | 52% | 150,222 | 14% | 217,686 | 20% | 1,097,171 |
| MISSOURI | #7 | 126,234 | 7% | 878,617 | 50% | 112,999 | 6% | 317,405 | 18% | 1,750,475 |
| NORTH DAKOTA | #8 | 0 | 0% | 351,314 | 79% | 29,778 | 7% | 64,770 | 15% | 445,862 |
| NEVADA | #9 | 109 | 0% | 341,642 | 77% | 104,000 | 23% | 0 | 0% | 445,751 |
| IDAHO | #10 | 0 | 0% | 285,232 | 64% | 74,145 | 17% | 86,483 | 19% | 445,860 |

FIGURE II
AVERAGE PERCENTAGE OF
ECIA CHAPTER TWO
STATE-LEVEL EXPENDITURES



(Average percentages of total
20% funds for the forty-seven
states responding to the survey)

FIGURE I



546.

## STATEMENT OF LINDA TARR-WHELAN, DIRECTOR, GOVERNMENT RELATIONS, NATIONAL EDUCATION ASSOCIATION

Senator WEICKER. Next we have Linda Tarr-Whelan, director of government relations in the National Education Association.

Ms. TARR-WHELAN. Good morning, Senator Weicker.

Senator WEICKER. Good morning.

Ms. TARR-WHELAN. I was pleased to hear from our colleagues in Connecticut of your award as a Friend in Education, a well-titled award for the work you have done on behalf of education.

Senator WEICKER. I think in light of the budget we have been getting in the last several years, education needs a few friends.

Ms. TARR-WHELAN. Indeed, we do. We have one on this committee, I am sure.

My name is Linda Tarr-Whelan, and I am director of government relations for the National Education Association. I would like to call attention in the written testimony to the charts which have been provided to the committee of a State-by-State and program-by-program breakdown from 1981 until 1985.

Dispute the support of this committee, evidenced by last year's highest level of education appropriation of $17.6 billion, it would actually take an additional $6 billion to actually hold the same ground which we had in 1981. The Federal share of spending for education has fallen from 9.2 percent in 1981 to 6.2 percent today.

It is a little ironic at a time when we are hearing a great deal of rhetoric about educational excellence and the importance of this area to our nation. Our ultimate goal, Mr. Chairman, is to return to the levels in 1980 in terms of the dollars which are spent for education. We would like to be in a position where the students who are served are at least a sizeable proportion of those who need the services.

But we also recognize that that is not possible today. We would ask you as a first step, at the very least, to see that we don't slide backward any farther; that the number of students who are served today be the number of students who are served next year at this time so that we don't see any cuts in the kind of education provided to them.

An example is chapter 1, where right now, 700,000 fewer children are served than in 1981. We would also ask you in terms of taking a look at the appropriation level to look very carefully at the impressive array of new education measures which the 98th Congress passed which need to have some attention, both in terms of administration and in terms of funding.

The Congress has clearly talked and taken action on the need for excellence, and yet we do not see requests by the administration for such things as magnet schools, which we believe should be funded at an authorized level of $75 million.

I would also like you to pay particular attention to the math-science initiative, which was a 2-year initiative by the Congress. The bill will expire this year, and this committee appropriated and the Congress approved $100 million last year out of the total $525 million that was actually included in the authorization for the 2-year period of time.

We would ask that you consider serious increases in that program to come somewhere near the original authorization level. We feel that that is an area that needs special attention, and we hope that there will be the funding there for that.

I also ask you to look at supplemental funding for 1985 in vocational education. We are attempting to have a transition from the old Vocational Education Act to the Carl D. Perkins Act, and we feel that transitional assistance is particularly important there. That program has been newly targeted to the local level and to individuals who are underserved in the vocational education programs.

While we are testifying on elementary and secondary education, we would also like to lend our support to the problem that we have with Pell grants and urge an additional grant for the Pell Grant Program so that we can maintain the $2,100 Pell grant at 60 percent of cost.

Mr. Chairman, we thank you, and to just conclude, we would like to see this committee reject any cuts in education funding, to fully fund new initiatives and to assure growth at least equal to that of inflation over the last year, so that as we look ahead, we will see that we are level-funded in terms of the services provided to the children who are in our public schools.

PREPARED STATEMENT

We look forward to working with you and your staff as you put together the materials to go through in the Senate.

[The statement follows:]

## STATEMENT OF LINDA TARR-WHELAN

I am Linda Tarr-Whelan, director of Government Relations for the National Education Association, representing 1.7 million education personnel in the nation's schools and in its institutions of higher education. We appreciate the opportunity to testify today on the critical choices confronting us on education appropriations for fiscal year 1986 -- choices which must be made in an environment of ballooning deficits and increasing need.

It is of great concern to us that the country faces Administration budgeting practices which can best be characterized as "spend and borrow...borrow and spend." It is essential that we forge an appropriate and comprehensive solution to our budgetary situation.

We know and appreciate that this Committee recognizes education as America's critical investment in its future. We believe an educated citizenry is a critical element in economic expansion and national security. For these reasons we believe that education should be treated no less well than the best-treated area in the federal budget. If we can afford to expand the defense budget we should be able to afford to expand education.

Mr. Chairman, the schools touch virtually every family in America. In our mind's eye, it is perhaps the little girl in braids skipping off to kindergarten, but it is also the new immigrant child, the town's basketball star, the children of military personnel, the students in colleges and universities, the dislocated worker learning a new skill, or the senior citizen pursuing new learning. Education is not a special interest. It is in everyone's interest.

In the view of the NEA, two significant facts dominate the education scene in the mid-eighties.

(1) There is clear and universal support for the drive for excellence in education. NEA, the states, local school systems, and the nation's postsecondary institutions are deeply committed to a process of upgrading the quality of teaching and developing curricular offerings appropriate to rapid changes in the world of work.

(2) The public education system is hard put to maintain adequate staffing of ongoing services and at the same time devise and implement new programs that respond to the changing needs of students. There has been shrinkage in federal assistance rather than leadership. The federal share of public elementary and secondary education expenditures has dropped during the past five years from nearly 9.0 percent to 6.2 percent. In addition, while the federal dollars may have increased as a result of Congressional action, the purchasing power of those dollars simply has not kept pace with inflation.

Education has been singled out for cuts every single year of this Administration. Some years the emphasis on budget slashing is on elementary/secondary programs and some years on postsecondary education. The cumulative effect of outright cuts and diminished purchasing power is evident at each level of education.

The fiscal bind begins at the elementary school level. Compensatory education for the disadvantaged is a program which we know works, but federal funding remains so low that 60 percent of the eligible 11 million pupils do not receive appropriate services. Approximately 700,000 fewer children are being served now than in 1981, and the current level of funding is sufficient to serve only 40 percent of the nation's impoverished school-age youth. There are 38,000 fewer teachers in the program than in 1980.

As we look to preparing our youth for the changing technology in the work place, both civilian and military, it is clear that a need exists for new skills and new training, particularly in math and science. The math/science bill enacted last fall makes a useful but modest beginning. A much broader and fully funded program to spur innovation and strengthen basic services at the local level is urgently needed. Such a program is the American Defense Education Act (HR 650, S 177) introduced in this Congress by Chairman Hawkins of the Education and Labor Committee, and by Senator Hart. We urge that room be made in the Fiscal 1986 education budget for this program.

The problems continue into postsecondary education. Massive cuts in federal institutional and student assistance will cancel the effort to achieve true excellence. Under this Administration we have seen dramatic decreases in student aid programs almost annually. This year is no exception. Despite the importance of equal educational access and opportunity for our young people, the budget was again decimated. The result can only be to close the doors of educational opportunity to tens of thousands of young Americans who must rely on federal assistance to help finance their postsecondary education.

The demographics of our future are as compelling as the argument for equity. As a nation we will need all the talent of all our young people -- during the 1980's the youth population of 18 year olds will decline from 4.1 million to 3.4 million in 1990. Approximately one out of every four young people will come from a minority group.

The dimensions of the difficulties are clear when we compare the cost of maintaining services at school year 1980-81 levels with the actual appropriations for school year 1985-86. The charts attached to this statement show these differences for major programs on a state-by-state basis. The numbers tend to hide the human impact. Cuts mean fewer children have opportunities.

To cite a few program examples: The Chapter 1 program for the disadvantaged is $1.2 billion short of the funding needed to provide the same services to the same number of children as in 1980-81. Education for the Handicapped is $272 million below the inflation adjustment. And Pell Grants are $246 million below the 1980-81 level. The budget request for Fiscal 1986 would reduce the number of Pell Grant recipients by 808,000, according to the Administration's own estimates.

Funding deficiencies of this kind spell real trouble for our schools and postsecondary institutions because the money cannot be made up at the state and local levels. Education is a three-way partnership between the federal, state, and local governments. States and localities are trying to improve education, but the Administration is shirking its homework assignment and unfairly burdening those who are moving for excellence -- not just talking about it.

## Fiscal 1986 Education Proposals

Mr. Chairman, the education proposals we bring you today would restore the level of services that existed in 1980, taking into account the real cuts that have resulted from reduced appropriations and the impact of inflation on the school dollar. If these proposals are accepted, education would show a zero net growth for the period, but would be held harmless for inflation. Services that have been curtailed or abandoned could be restored, and the erosion of federal support would be reversed.

Education is a major contributor to the economic well-being of America. Education touches the lives of 40 million Americans aged 5 to 17, and enrollments in our colleges and universities total 12.4 million, according to studies by the National Center for Education Statistics. And still, less than two cents of the federal budget dollar is expended on direct support of education.

The Administration's education budget proposal for Fiscal 1986 calls for $15.5 billion -- more than $3 billion less that the amount appropriated for Fiscal 1985. For the most part, elementary and secondary programs would be funded at Fiscal 1985 levels, although some programs suffer deep cuts or are again slated for termination such as impact aid, migrant education, and the Women's Educational Equity Act. The principal cuts would be made in higher education, and it is our belief that the nearly $2.5 billion reduction in student aid and institutional programs would be catastrophic.

The tables in the Appendix to this statement display vividly the discrepancy between the White House request and the real impact of cuts and inflation on the education budget over a range of programs including the principal elementary and secondary and higher education components. The chart that follows graphically illustrates the levels of funding necessary for continuing programs at 1980 levels (current services); the pattern of budget requests for education in recent years; and the Congressional response.

The Administration again proposes to substitute for a successful program for equity a program of right wing rhetoric -- vouchers in Chapter 1 programs for the disadvantaged. Voucher plans in the past have typically been designed to give parents an option as to which school their children will attend. There is an apparent choice between public and private schools, but the voucher program is doomed to failure because it makes it impossible for both the public and private schools to develop operating budgets and long-range programs.

Despite overwhelming rejection by the Senate of its 1983 proposal, the Administration is again calling for enactment of tuition tax credits. The cost of such legislation would be $359 million in Fiscal 1986; $630 million in Fiscal 1987; and $887 million in Fiscal 1988 -- money lost to the Treasury and therefore unavailable to public elementary and secondary education. NEA is unalterably opposed to tuition tax credits as unsound fiscal policy, unsound educational policy, and unsound public policy.

If the budget is insufficient to maintain inflation-proof funding with zero growth for needed federal education programs for the 90 percent of students who attend public school, how can the President ask for further depletion of the U.S. Treasury for the ten percent of students who attend private school? It would be laughable if the situation were not so serious with the President actually proposing a $60,000 family income cap for tuition tax credits yet a $32,500 cap for student aid programs.

We believe the tuition tax credit proposal is unconscionable at a time of high deficits. And we are convinced that tuition tax credits, as a back-door federal subsidy scheme for church-related schools, would violate the First Amendment doctrine of the separation of church and state. We believe that the $2.5 billion that tuition tax credits would cost over the next three years should be made available for public education programs immediately. These resources could go a long way in helping our schools meet the challenges of the 1980's and beyond.

In the postsecondary area, we are not talking about simply filling the chairs of lecture halls or balancing the budgets of colleges. We are talking about the future -- the future productivity of our country and the future of our youth. Against this backdrop it is hard understand the Administration rationale for program cuts. If the proposed budget were passed by Congress, the vital grant and loan programs would be diminished by $3.5 billion. In people terms instead of statistics, one million students would be affected by the cuts.

Students without any family resources would have their aid reduced. Middle income students would become ineligible for grants or subsidized loans. Special programs to prepare disadvantaged students for college would be cut back by over 50 percent. It makes no sense to us to disinvest in America's future.

Mr. Chairman, there are choices to be made, which increase or decrease the available resources to education. Why are we paying ten times the entire U.S. education budget for interest payments? Why is defense budgeted to increase by six percent over inflation -- more than 11 percent -- while higher education is slated for a real decrease of 25 percent? We believe that education -- which is critically important to each family and our nation's well-being -- should be treated no less well than the most favored section of the budget.

## Comment on Specific Proposals

The following is an analysis of the Administration's requests for individual programs administered by the Department of Education. Figures used for comparison in this section are based on Fiscal 1980 actual appropriations adjusted for inflation. Estimates of the human impact of the budget proposals are based on research by the Committee for Education Funding, the Congressional Budget Office, and the Committee on Education and Labor. State by state analyses in the Appendix reflect actual obligations, as reported by the Education Department.

## 1. Elementary and Secondary Education

### Education of the Disadvantaged

The budget proposes $3.64 billion, $49 million less than the Fiscal 1985 appropriation. The budget proposal for Fiscal 1986 would serve 81,600 fewer migrant children. Yet, national evaluations continue to praise this program as one of the major reasons for the increase in achievement scores of poor and minority youngsters.

FY80 Funding: $3.2 billion
FY86 Budget request: $3.64 billion
Needed to counter inflation: $4.8 billion

### Chapter 2 Block Grant

The budget proposes the same amount as Congress appropriated in Fiscal 1985. The purposes of the separate programs that were merged in 1981 have not been implemented to date by the states. The House Government Operations Subcommittee on Intergovernmental Relations has heard detailed testimony that funding is often being used to buy equipment and supplies--one-time purchases that are made instead of commitments for additional programs and staff to implement them, because the states cannot realistically plan for more than a year at a time in a climate of unpredictable funding.

FY80 comparable programs: $467 million (Chapter 2 block grants)
FY86 Budget request: $532 million
Needed to counter inflation: $1.2 billion

### Impact Aid

The President's funding request for impact aid in Fiscal 1986 is $543 million, $152 million less than the amount appropriated for Fiscal 1985. The Administration calls for funding "Super A" districts at full entitlement and other "A" pupils at gradually declining levels. The budget also proposes the complete elimination of military and civilian "B" payments, which Congress just reauthorized, and payments based on the presence of large numbers of low-rent housing children.

This program has been of significant help to school systems which enroll federally connected children. It is an obligation that the federal government pays in lieu of taxes, and it is grossly unfair to place the full burden of school enrollments caused by federal government activities on the backs of local school district taxpayers. Under the Administration proposal, an estimated 4,000 teachers would lose their jobs.

FY80 funding: $677 million
FY86 Budget request: $543 million
Needed to counter inflation: $1.25 billion

### Education of the Handicapped

The Fiscal 1986 budget proposes to reduce the program by $15 million. This cut would further erode the federal government's commitment to fund the excess costs of educating the handicapped. The federal share of excess costs has dropped from 12 percent in 1980 to just eight percent, although P.L. 94-142 calls for a 40 percent funding level. This is another kind of deficit--the deficit between mandated services and funding to follow the requirements.

Over four million children and youth aged 3 to 21 are receiving special education and related services. The costs of providing a free, appropriate education for these young people is a major burden on local schools which are struggling to maintain regular programs as well.

FY80 funding: $822 million
FY86 Budget request: $1.3 billion
Needed to counter inflation: $1.6 billion

## Vocational Education

The Administration proposes that new legislation, enacted last fall, be funded at the same level as the previous law. It is now essential to provide other than meager funding for this program which has supported indispensable employment training for more than half a century. The proposed freeze would result in 900,000 fewer students being served, and great difficulty in implementing the new Carl D. Perkins Vocational Education Act.

| | |
|---|---|
| FY80 funding: | $779 million |
| FY86 Budget request: | $738 million |
| Needed to counter inflation: | $1.2 billion |

## Adult Education

The Administration proposes only $100 million for this program, which provides educational services for nearly three million adults. As Administration leaders have noted in speech after speech, adults who have not finished high school or its equivalent number more than 61 million, and the number of adults who lack the basic skills to cope with the everyday demands of this technological society is more than 27 million. Adult illiteracy is a critical problem, yet the Administration requests an incredible $1 per adult in need of educational services.

| | |
|---|---|
| FY80 funding: | $122.6 million |
| FY86 Budget request: | $100 million |
| Needed to counter inflation: | $152 million |

## Bilingual Education

In Fiscal 1980, bilingual education received $170.6 million, and to reach the same number of non-English speaking students in Fiscal 1986, Congress should appropriate $260 million. But just staying even is actually falling further and further behind, because of striking increases projected in the growth of Hispanic and other non-English speaking populations. Nearly 30 to 40 percent of the labor force growth over the next decade will be Hispanic in origin. Yet the Bilingual Education program is serving 140,000 fewer students than it did in Fiscal 1980.

| | |
|---|---|
| FY80 funding: | $191.4 million |
| FY86 Budget request: | $139.2 million |
| Needed to counter inflation: | $260 million |

## 2. Higher Education

Under the Administration proposals, the Fiscal 1986 budget would provide substantialy less than in previous years for student aid and other higher education programs. In order to accomplish these budget cuts in 1986 and later years, a substantial number of legislative changes are proposed. The impact of these proposals would be severe for both poor and middle-class students. It would deny access to a postsecondary education for millions of students who would be simply unable to afford it. It would also severely limit the choice of institutions for poorer students, thereby advancing the economic segregation of the higher education system.

Under the Administration proposal, to participate in any of the student aid programs, an individual would be required to contribute an inordinate amount of self-help. There would be an unreasonably low cap on the total federal assistance a student could receive.

It is important to understand the context in which these budget proposals are made. Between 1965 and 1975, the first decade of the Higher Education Act, great strides were made in the percentage of Blacks and Hispanics in postsecondary education. Enrollments of such students doubled, from ten to 20 percent. But since 1975 there have been sharp drops in enrollments of Blacks and Hispanics. In 1980, without student aid cuts, 83 percent of young people 18 through 24 graduated from high school, and 32 percent enrolled in postsecondary education. In that year, 70 percent of Blacks graduated from high school and 19 percent enrolled in college. For Hispanics, the high school graduation rate was 54 percent, and enrollment in postsecondary institutions was 16 percent. Further cuts in student assistance would decrease minority enrollments even more. The impact of the Administration's proposals is likely to be far more significant than even the substantial reduction in dollars would indicate, in terms of equity and national economic growth.

The changes in eligibility proposed for both the grant and loan programs are both arbitrary and unrealistic in light of economic realities. Some 1.7 million financial aid awards would be eliminated in Academic Year 86-87. But the most immediate impact would be in 1985. In the 1985 appropriation bill the maximum grant award was set at $2100 and could cover up to 60 percent of costs. However, the amount needed to cover these awards was underestimated by approximately $600 million which the Administration, though acknowledging, won't request. Instead, the Administration would reduce awards to a maximum of $2000 and 50 percent of cost.

The proposed reductions in higher education programs includes $492 million from the Pell Grant program; $159 million from Supplementary Educational Opportunity Grants; $190 million from National Direct Student Loans, $76 million from State Student Incentive Grants; $93 million from the TRIO programs for the disadvantaged; and $139 from other categorical programs.

NEA recommends that funding for higher education programs, including student assistance, be restored to at least the Fiscal 1980 level adjusted for inflation. This means, for example, that Pell Grants would be funded at $3.84 billion; Supplementary Educational Opportunity Grants would receive $562 million; and the appropriation for College Work Study would be $835 million.

NEA views the proposed cuts and limitations in higher education as arbitrary and grossly unfair. We support reform of the current patchwork nature of student assistance and want to assist in those efforts. However, the purpose of reform should be to maximize excellence through providing opportunity for students -- not to slam the doors to those who simply cannot afford today's high costs of postsecondary education. America cannot afford such a scheme.

## Other Administration Proposals

We object strenuously to the Administration's proposals to terminate programs which it characterizes as either having achieved their objectives or are sufficiently small not to be missed. We believe that the authorizing committees have scrutinized their success and we are particularly interested in seeing that such programs as Chapter 1 Migrant Education, Impact Aid Category B and Construction, Excellence in Education, Women's Educational Equity, and various postsecondary aid programs be funded.

## Programs Outside the Education Department

There are several programs that are not under the jurisdiction of the Education Department that are of great concern to NEA and for which either no funding or substantial reductions are proposed.

One such program is Head Start, one of the most popular and successful antipoverty programs, reauthorized by Congress in October, 1984. Current funding is $1.075 billion, and the Administration request is at the current level. We recommend that the outreach of this program be extended with at least an adjustment for inflation.

The funding for programs outside the jurisdiction of this Subcommittee would also be jeopardized under the Administration proposals: Child nutrition programs administered by the Agricaulture Department; Asbestos School Hazard and Abatement, operated by the Environmental Protection Agency, and the programs run by the Corporation for Public Broadcasting. We ask you to support continued and adequate funding for these programs as they are considered by the full Appropriations Committee.

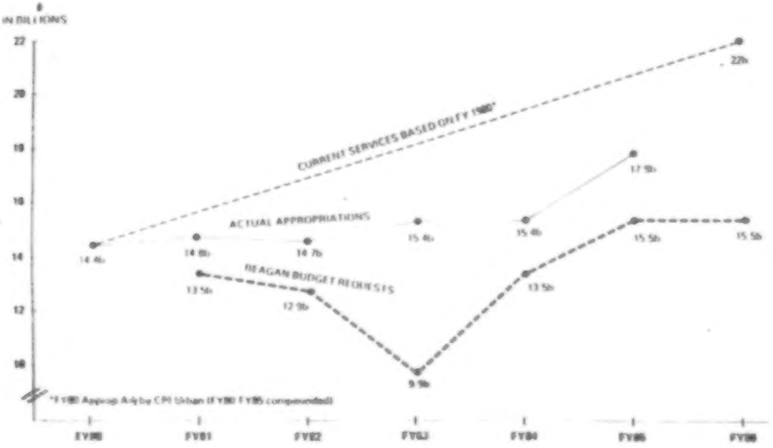
## Conclusion

To summarize our comments on education appropriations for Fiscal 1986, NEA believes that the federal government must fully participate in the drive for educational excellence. This means substantially more federal financial assistance than is currently available or is proposed by the Administration.

NEA believes that programs must be funded as soon as possible at levels at least equivalent to those of Fiscal 1980. Such funding only provides the same services to the same number of children that existed in the past. It falls far short of our goal of allowing significant improvements for excellence. We recognize that our nation is at a crisis point due to the massive national debt and we realize that returning education to 1980 levels in this year is a difficult task. Therefore, we have proposed a freeze on legislated tax cuts, fair budgeting practices, and a reasonable approach to defense spending, as well as proposals for education and social service programs.

At the very least, zero growth over six years should be an achievable goal. We urge the Committee not to let education slide backward with cuts in services. We believe that education is critical to the future and must be treated no less well than the best-treated function of the budget.

Mr. Chairman, we look forward to working with you and the Members of the Committee in efforts to assure America's children of the kind of education they need and deserve.



EDUCATION FUNDING LEVELS
FY 1980 - FY 1986

The Committee For Education Funding

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Reagan Budget FY86 vs. Inflation Adjustment

National Table
Appropriations, Thousands of Dollars

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| Education Department | 14399100 | 21870264 | 15512708 | -6357556 |
| SELECTED FEDERAL EDUCATION PROGRAMS: | | | | |
| ECIA Chapter I (ESEA Title I Basic Grants) | 3221099 | 4892409 | 3646615 | -1245794 |
| State Block Grant (ECIA Chapter II) | 803503 | 1220411 | 531909 | -688502 |
| Impact Aid (not forward funded) | 825000 | 1253062 | 543000 | -710062 |
| Education for the Handicapped | 1049025 | 1593326 | 1306100 | -287226 |
| Vocational Education | 801841 | 1214171 | 738462 | -475709 |
| Adult Education | 100000 | 151886 | 100000 | -51886 |
| Bilingual Education | 171763 | 260885 | 142951 | -117934 |
| New Math and Science Bill | 0 | 0 | 100000 | 100000 |
| Pell Grants | 2520000 | 3039686 | 2080000 | -959686 |
| Supplemental Educational Opportunity Grants | 370000 | 561979 | 0 | -561979 |
| College Work Study | 550000 | 835375 | 850000 | 14625 |

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Reagan Budget FY86 vs. Inflation Adjustment

Alabama State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 73763 | 92932 | 70720 | -22212 |
| State Block Grant (ECIA Chapter II) | 5184 | 17734 | 8619 | -9115 |
| Impact Aid (not forward funded) | 8793 | 18471 | 2310 | -16161 |
| Education for the Handicapped | 16093 | 27407 | 24469 | -2938 |
| Vocational Education | 13270 | 20340 | 14575 | -5765 |
| Adult Education | 1972 | 3068 | 2020 | -1048 |
| Bilingual Education | 0 | 0 | 0 | 0 |
| New Math and Science Bill | 0 | 0 | 1552 | 1552 |
| Pell Grants | 51146 | 76587 | 57445 | -19142 |
| Supplemental Educational Opportunity Grants | 5837 | 8765 | 0 | -8765 |
| College Work Study | 11332 | 16491 | 15419 | -1072 |

Reagan Budget FY86 vs. Inflation Adjustment

### Alaska State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 7190 | 11570 | 8469 | -3101 |
| State Block Grant (ECIA Chapter II) | 1265 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 55335 | 90879 | 51381 | -39498 |
| Education for the Handicapped | 1890 | 3379 | 2860 | -519 |
| Vocational Education | 1260 | 1636 | 1211 | -425 |
| Adult Education | 240 | 516 | 340 | -176 |
| Bilingual Education | 1057 | 2731 | 1376 | -1355 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 1317 | 1713 | 1285 | -428 |
| Supplemental Educational Opportunity Grants | 518 | 511 | 0 | -511 |
| College Work Study | 663 | 811 | 1226 | 415 |

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Reagan Budget FY86 vs. Inflation Adjustment

### Arizona State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter 1 (ESEA Title I Basic Grants) | 33067 | 54374 | 39820 | -14554 |
| State Block Grant (ECIA Chapter II) | 5424 | 12401 | 6027 | -6374 |
| Impact Aid (not forward funded) | 38678 | 63448 | 48878 | -14570 |
| Education for the Handicapped | 11010 | 17193 | 15573 | -1620 |
| Vocational Education | 7446 | 12662 | 9239 | -3423 |
| Adult Education | 839 | 1697 | 1117 | -580 |
| Bilingual Education | 5125 | 8969 | 4518 | -4451 |
| New Math and Science Bill | 0 | 0 | 1086 | 1086 |
| Pell Grants | 27200 | 52160 | 39123 | -13037 |
| Supplemental Educational Opportunity Grants | 5007 | 7529 | 0 | -7529 |
| College Work Study | 5569 | 8990 | 9315 | 325 |

559.

Reagan Budget FY86 vs. Inflation Adjustment

### Arkansas State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 48060 | 59103 | 43948 | -15155 |
| State Block Grant (ECIA Chapter II) | 3976 | 10195 | 4955 | -5240 |
| Impact Aid (not forward funded) | 3707 | 3375 | 2566 | -809 |
| Education for the Handicapped | 8738 | 15093 | 13592 | -1501 |
| Vocational Education | 7382 | 11431 | 8267 | -3164 |
| Adult Education | 1205 | 2011 | 1324 | -687 |
| Bilingual Education | 0 | 542 | 273 | -269 |
| New Math and Science Bill | 0 | 0 | 892 | 092 |
| Pell Grants | 24733 | 38878 | 29161 | -9717 |
| Supplemental Educational Opportunity Grants | 2472 | 3691 | 0 | -3691 |
| College Work Study | 5253 | 8736 | 7987 | -749 |

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Reagan Budget FY86 vs. Inflation Adjustment

### California State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 322832 | 483037 | 350494 | -132543 |
| State Block Grant (ECIA Chapter II) | 60486 | 97639 | 47455 | -50184 |
| Impact Aid (not forward funded) | 93765 | 92003 | 58153 | -33850 |
| Education for the Handicapped | 82443 | 126034 | 111941 | -14093 |
| Vocational Education | 57236 | 87875 | 62694 | -25181 |
| Adult Education | 7374 | 11818 | 7781 | -4037 |
| Bilingual Education | 44033 | 53336 | 26868 | -26468 |
| New Math and Science Bill | 0 | 0 | 8547 | 8547 |
| Pell Grants | 163848 | 272250 | 204204 | -68046 |
| Supplemental Educational Opportunity Grants | 36333 | 54711 | 0 | -54711 |
| College Work Study | 48175 | 70290 | 67446 | -2844 |

Reagan Budget FY86 vs. Inflation Adjustment

### Colorado State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 32252 | 49486 | 35816 | -13670 |
| State Block Grant (ECIA Chapter II) | 4249 | 12571 | 6110 | -6461 |
| Impact Aid (not forward funded) | 6566 | 16414 | 9900 | -6514 |
| Education for the Handicapped | 12110 | 16198 | 13863 | -2335 |
| Vocational Education | 8222 | 11960 | 8703 | -3257 |
| Adult Education | 906 | 1543 | 1016 | -527 |
| Bilingual Education | 3296 | 3158 | 1591 | -1567 |
| New Math and Science Bill | 0 | 0 | 1101 | 1101 |
| Pell Grants | 25734 | 39370 | 29530 | -9840 |
| Supplemental Educational Opportunity Grants | 4675 | 6759 | 0 | -6759 |
| College Work Study | 6371 | 9407 | 9454 | 47 |

Reagan Budget FY86 vs. Inflation Adjustment

Connecticut State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 30508 | 54826 | 40858 | -13968 |
| State Block Grant (ECIA Chapter II) | 5885 | 12528 | 6089 | -6439 |
| Impact Aid (not forward funded) | 5511 | 12964 | 5027 | -7937 |
| Education for the Handicapped | 14921 | 21103 | 18889 | -2214 |
| Vocational Education | 7827 | 10849 | 7662 | -3187 |
| Adult Education | 1401 | 2000 | 1317 | -683 |
| Bilingual Education | 2339 | 2248 | 1132 | -1116 |
| New Math and Science Bill | 0 | 0 | 1097 | 1097 |
| Pell Grants | 19305 | 25897 | 19424 | -6473 |
| Supplemental Educational Opportunity Grants | 5081 | 7537 | 0 | -7537 |
| College Work Study | 6564 | 9871 | 8646 | -1225 |

Reagan Budget FY86 vs. Inflation Adjustment

### Delaware State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 9921 | 17156 | 12669 | -4487 |
| State Block Grant (ECIA Chapter II) | 6043 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 650 | 271 | 0 | -271 |
| Education for the Handicapped | 2589 | 3800 | 3444 | -356 |
| Vocational Education | 1704 | 2697 | 1988 | -709 |
| Adult Education | 376 | 696 | 458 | -238 |
| Bilingual Education | 276 | 0 | 0 | 0 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 5208 | 6410 | 4808 | -1602 |
| Supplemental Educational Opportunity Grants | 1112 | 1320 | 0 | -1320 |
| College Work Study | 1408 | 1930 | 1935 | 5 |

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Reagan Budget FY86 vs. Inflation Adjustment

### District of Columbia State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 18318 | 24364 | 18237 | -6127 |
| State Block Grant (ECIA Chapter II) | 9255 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 4237 | 2408 | 1424 | -984 |
| Education for the Handicapped | 10888 | 6883 | 4475 | -2408 |
| Vocational Education | 1820 | 2538 | 1871 | -667 |
| Adult Education | 478 | 758 | 499 | -259 |
| Bilingual Education | 2809 | 3065 | 1544 | -1521 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 14161 | 15755 | 11817 | -3938 |
| Supplemental Educational Opportunity Grants | 2066 | 4102 | 0 | -4102 |
| College Work Study | 4363 | 6531 | 3335 | -3196 |

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Reagan Budget FY86 vs. Inflation Adjustment

## Florida State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 108837 | 203950 | 150770 | -53180 |
| State Block Grant (ECIA Chapter II) | 12995 | 38272 | 18601 | -19671 |
| Impact Aid (not forward funded) | 21129 | 25332 | 13726 | -11606 |
| Education for the Handicapped | 27978 | 52116 | 45596 | -6520 |
| Vocational Education | 24151 | 40141 | 28855 | -11286 |
| Adult Education | 3280 | 6106 | 4020 | -2086 |
| Bilingual Education | 5670 | 7728 | 3893 | -3835 |
| New Math and Science Bill | 0 | 0 | 3350 | 3350 |
| Pell Grants | 86493 | 139674 | 104764 | -34910 |
| Supplemental Educational Opportunity Grants | 10650 | 15735 | 0 | -15735 |
| College Work Study | 16479 | 24674 | 28148 | 3474 |

## Georgia State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 81845 | 119894 | 90803 | -29091 |
| State Block Grant (ECIA Chapter II) | 11171 | 25507 | 12397 | -13110 |
| Impact Aid (not forward funded) | 11952 | 26286 | 4209 | -22077 |
| Education for the Handicapped | 22744 | 33491 | 30717 | -2774 |
| Vocational Education | 17420 | 28129 | 19918 | -8211 |
| Adult Education | 2557 | 4151 | 2733 | -1418 |
| Bilingual Education | 101 | 220 | 111 | -109 |
| New Math and Science Bill | 0 | 0 | 2233 | 2233 |
| Pell Grants | 46153 | 63693 | 47774 | -15919 |
| Supplemental Educational Opportunity Grants | 5538 | 8932 | 0 | -8932 |
| College Work Study | 11457 | 17702 | 20400 | 2698 |

Reagan Budget FY86 vs. Inflation Adjustment

Hawaii State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 13571 | 15044 | 11592 | -3452 |
| State Block Grant (ECIA Chapter II) | 2756 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 15934 | 14141 | 14773 | 632 |
| Education for the Handicapped | 2845 | 4344 | 3838 | -506 |
| Vocational Education | 2618 | 4138 | 2946 | -1192 |
| Adult Education | 413 | 805 | 530 | -275 |
| Bilingual Education | 2091 | 2082 | 1049 | -1033 |
| New Math and Science Bill | 0. | 0 | 446 | 446 |
| Pell Grants | 4595 | 7139 | 5355 | -1784 |
| Supplemental Educational Opportunity Grants | 1111 | 1866 | 0 | -1866 |
| College Work Study | 1790 | 2631 | 2747 | 116 |

Reagan Budget FY86 vs. Inflation Adjustment

### Idaho State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 8747 | 18348 | 13053 | -5295 |
| State Block Grant (ECIA Chapter II) | 1585 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 4733 | 6307 | 4102 | -2205 |
| Education for the Handicapped | 4386 | 6222 | 5841 | -381 |
| Vocational Education | 3023 | 4711 | 3375 | -1336 |
| Adult Education | 422 | 803 | 529 | -274 |
| Bilingual Education | 293 | 1020 | 514 | -506 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 8294 | 13632 | 10225 | -3407 |
| Supplemental Educational Opportunity Grants | 1388 | 1771 | 0 | -1771 |
| College Work Study | 1781 | 2621 | 2835 | 214 |

Reagan Budget FY86 vs. Inflation Adjustment

Illinois State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 141859 | 237825 | 178671 | -59154 |
| State Block Grant (ECIA Chapter II) | 17540 | 48403 | 23524 | -24879 |
| Impact Aid (not forward funded) | 14171 | 19809 | 9969 | -9840 |
| Education for the Handicapped | 51982 | 75661 | 68219 | -7442 |
| Vocational Education | 29019 | 44092 | 31523 | -12569 |
| Adult Education | 5010 | 6808 | 4482 | -2326 |
| Bilingual Education | 4167 | 6686 | 3368 | -3318 |
| New Math and Science Bill | 0 | 0 | 4237 | 4237 |
| Pell Grants | 99967 | 186816 | 140124 | -46692 |
| Supplemental Educational Opportunity Grants | 15607 | 24340 | 0 | -24340 |
| College Work Study | 21324 | 32006 | 34292 | 2286 |

Reagan Budget FY86 vs. Inflation Adjustment

## Indiana State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 40318 | 69486 | 52164 | -17322 |
| State Block Grant (ECIA Chapter II) | 10466 | 24137 | 11731 | -12406 |
| Impact Aid (not forward funded) | 3144 | 3450 | 1934 | -1516 |
| Education for the Handicapped | 22177 | 31202 | 28221 | -2981 |
| Vocational Education | 16546 | 25761 | 18250 | -7511 |
| Adult Education | 2191 | 3449 | 2271 | -1178 |
| Bilingual Education | 661 | 2027 | 1021 | -1006 |
| New Math and Science Bill | 0 | 0 | 2113 | 2113 |
| Pell Grants | 48509 | 86909 | 65187 | -21722 |
| Supplemental Educational Opportunity Grants | 7056 | 11503 | 0 | -11503 |
| College Work Study | 10272 | 15220 | 16517 | 1297 |

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Reagan Budget FY86 vs. Inflation Adjustment

Iowa State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 26353 | 40912 | 31214 | -9698 |
| State Block Grant (ECIA Chapter II) | 3067 | 12207 | 5933 | -6274 |
| Impact Aid (not forward funded) | 714 | 481 | 605 | 124 |
| Education for the Handicapped | 13476 | 18515 | 16819 | -1696 |
| Vocational Education | 8796 | 12487 | 9079 | -3408 |
| Adult Education | 1237 | 1804 | 1188 | -616 |
| Bilingual Education | 854 | 1147 | 578 | -569 |
| New Math and Science Bill | 0 | 0 | 1069 | 1069 |
| Pell Grants | 30572 | 55342 | 41510 | -13832 |
| Supplemental Educational Opportunity Grants | 4987 | 7827 | 0 | -7827 |
| College Work Study | 7132 | 10571 | 9561 | -1010 |

Reagan Budget FY86 vs. Inflation Adjustment

## Kansas State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 22626 | 35217 | 26248 | -8969 |
| State Block Grant (ECIA Chapter II) | 2827 | 9681 | 4705 | -4976 |
| Impact Aid (not forward funded) | 8508 | 12519 | 10300 | -2219 |
| Education for the Handicapped | 10743 | 17254 | 14460 | -2794 |
| Vocational Education | 6982 | 9551 | 6997 | -2554 |
| Adult Education | 1003 | 1485 | 978 | -507 |
| Bilingual Education | 171 | 6 | 3 | -3 |
| New Math and Science Bill | 0 | 0 | 847 | 847 |
| Pell Grants | 25339 | 40466 | 30352 | -10114 |
| Supplemental Educational Opportunity Grants | 3691 | 5459 | 0 | -5459 |
| College Work Study | 5417 | 8060 | 7293 | -767 |

Reagan Budget FY86 vs. Inflation Adjustment

Kentucky State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 61779 | 81334 | 61366 | -19968 |
| State Block Grant (ECIA Chapter II) | 5139 | 16363 | 7953 | -8410 |
| Impact Aid (not forward funded) | 3147 | 3804 | 602 | -3202 |
| Education for the Handicapped | 15333 | 26774 | 22786 | -3988 |
| Vocational Education | 12009 | 18968 | 13722 | -5246 |
| Adult Education | 1926 | 3079 | 2027 | -1052 |
| Bilingual Education | 6 | 671 | 338 | -333 |
| New Math and Science Bill | 0 | 0 | 1432 | 1432 |
| Pell Grants | 38554 | 63453 | 47594 | -15859 |
| Supplemental Educational Opportunity Grants | 4201 | 5973 | 0 | -5973 |
| College Work Study | 8194 | 13512 | 13411 | -101 |

Reagan Budget FY86 vs. Inflation Adjustment

### Louisiana State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 90532 | 130619 | 97564 | -33055 |
| State Block Grant (ECIA Chapter II) | 9528 | 20454 | 9941 | -10513 |
| Impact Aid (not forward funded) | 6183 | 8703 | 3895 | -4808 |
| Education for the Handicapped | 20175 | 25946 | 23641 | -2305 |
| Vocational Education | 14325 | 20952 | 15274 | -5678 |
| Adult Education | 1971 | 3133 | 2063 | -1070 |
| Bilingual Education | 2608 | 3714 | 1871 | -1843 |
| New Math and Science Bill | 0 | 0 | 1790 | 1790 |
| Pell Grants | 43434 | 66245 | 49688 | -16557 |
| Supplemental Educational Opportunity Grants | 4276 | 6553 | 0 | -6553 |
| College Work Study | 9917 | 16041 | 17572 | 1531 |

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Reagan Budget FY86 vs. Inflation Adjustment

Maine State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 14080 | 22855 | 16573 | -6282 |
| State Block Grant (ECIA Chapter II) | 1726 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 3139 | 5259 | 3204 | -2055 |
| Education for the Handicapped | 5460 | 9054 | 8095 | -959 |
| Vocational Education | 3857 | 5873 | 4197 | -1676 |
| Adult Education | 573 | 980 | 645 | -335 |
| Bilingual Education | 292 | 911 | 459 | -452 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 13773 | 18191 | 13644 | -4547 |
| Supplemental Educational Opportunity Grants | 5118 | 7836 | 0 | -7836 |
| College Work Study | 5419 | 9245 | 3208 | -6037 |

Reagan Budget FY86 vs. Inflation Adjustment

## Maryland State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 52275 | 75820 | 57307 | -18513 |
| State Block Grant (ECIA Chapter II) | 6978 | 17627 | 8567 | -9060 |
| Impact Aid (not forward funded) | 20419 | 27419 | 11743 | -15676 |
| Education for the Handicapped | 21005 | 32869 | 28397 | -4472 |
| Vocational Education | 11740 | 17175 | 12142 | -5033 |
| Adult Education | 1851 | 2729 | 1797 | -932 |
| Bilingual Education | 410 | 976 | 494 | -482 |
| New Math and Science Bill | 0 | 0 | 1543 | 1543 |
| Pell Grants | 35093 | 49204 | 36906 | -12298 |
| Supplemental Educational Opportunity Grants | 5587 | 8647 | 0 | -8647 |
| College Work Study | 8551 | 12806 | 12314 | -492 |

Reagan Budget FY86 vs. Inflation Adjustment

### Massachusetts State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 68262 | 117282 | 87092 | -30190 |
| State Block Grant (ECIA Chapter II) | 11282 | 22637 | 11002 | -11635 |
| Impact Aid (not forward funded) | 8813 | 16014 | 7100 | -8914 |
| Education for the Handicapped | 33243 | 46175 | 40076 | -6099 |
| Vocational Education | 16813 | 23638 | 17111 | -6527 |
| Adult Education | 2375 | 3176 | 2091 | -1085 |
| Bilingual Education | 4374 | 8957 | 4512 | -4445 |
| New Math and Science Bill | 0 | 0 | 1982 | 1982 |
| Pell Grants | 75890 | 93596 | 70203 | -23393 |
| Supplemental Educational Opportunity Grants | 19844 | 30810 | 0 | -30810 |
| College Work Study | 29398 | 48091 | 19035 | -29056 |

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Reagan Budget FY86 vs. Inflation Adjustment

Michigan State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 132044 | 190847 | 143377 | -47470 |
| State Block Grant (ECIA Chapter II) | 18424 | 40564 | 19715 | -20849 |
| Impact Aid (not forward funded) | 6616 | 8994 | 5964 | -3030 |
| Education for the Handicapped | 34599 | 47049 | 43108 | -3941 |
| Vocational Education | 26704 | 40295 | 28858 | -11437 |
| Adult Education | 3923 | 5340 | 3516 | -1824 |
| Bilingual Education | 4326 | 13150 | 6624 | -6526 |
| New Math and Science Bill | 0 | 0 | 3551 | 3551 |
| Pell Grants | 91212 | 157104 | 117838 | -39266 |
| Supplemental Educational Opportunity Grants | 13910 | 20395 | 0 | -20395 |
| College Work Study | 17704 | 27030 | 26840 | -190 |

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Reagan Budget FY86 vs. Inflation Adjustment

### Minnesota State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---:|---:|---:|---:|
| ECIA Chapter I (ESEA Title 1 Basic Grants) | 41801 | 54620 | 41431 | -13189 |
| State Block Grant (ECIA Chapter II) | 5041 | 17369 | 8442 | -8927 |
| Impact Aid (not forward funded) | 4404 | 5406 | 4055 | -1351 |
| Education for the Handicapped | 19218 | 28048 | 25406 | -2642 |
| Vocational Education | 12508 | 17822 | 12650 | -5172 |
| Adult Education | 1598 | 2269 | 1494 | -775 |
| Bilingual Education | 934 | 3589 | 1808 | -1781 |
| New Math and Science Bill | 0 | 0 | 1520 | 1520 |
| Pell Grants | 47072 | 80631 | 60478 | -20153 |
| Supplemental Educational Opportunity Grants | 9403 | 14986 | 0 | -14986 |
| College Work Study | 12401 | 18402 | 13562 | -4840 |

Reagan Budget FY86 vs. Inflation Adjustment

Mississippi State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 73433 | 85926 | 64942 | -20984 |
| State Block Grant (ECIA Chapter II) | 6460 | 12444 | 6048 | -6396 |
| Impact Aid (not forward funded) | 4397 | 6954 | 3912 | -3042 |
| Education for the Handicapped | 9172 | 16282 | 14780 | -1502 |
| Vocational Education | 8733 | 13507 | 9733 | -3774 |
| Adult Education | 1298 | 2139 | 1408 | -731 |
| Bilingual Education | 81 | 639 | 322 | -317 |
| New Math and Science Bill | 0 | 0 | 1089 | 1089 |
| Pell Grants | 38525 | 57566 | 43178 | -14388 |
| Supplemental Educational Opportunity Grants | 4942 | 6921 | 0 | -6921 |
| College Work Study | 9072 | 13520 | 10365 | -3155 |

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Reagan Budget FY86 vs. Inflation Adjustment

## Missouri State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 54871 | 69883 | 53033 | -16850 |
| State Block Grant (ECIA Chapter II) | 19543 | 20303 | 9868 | -10435 |
| Impact Aid (not forward funded) | 7375 | 10212 | 5484 | -4728 |
| Education for the Handicapped | 23264 | 31017 | 28279 | -2738 |
| Vocational Education | 15204 | 22567 | 16127 | -6440 |
| Adult Education | 2359 | 3366 | 2216 | -1150 |
| Bilingual Education | 1240 | 262 | 132 | -130 |
| New Math and Science Bill | 0 | 0 | 1777 | 1777 |
| Pell Grants | 46398 | 81549 | 61167 | -20382 |
| Supplemental Educational Opportunity Grants | 6575 | 9527 | 0 | -9527 |
| College Work Study | 11011 | 16015 | 14687 | -1328 |

Reagan Budget FY86 vs. Inflation Adjustment

### Montana State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter 1 (ESEA Title I Basic Grants) | 10602 | 15077 | 11531 | -3546 |
| State Block Grant (ECIA Chapter II) | 1590 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 11347 | 30936 | 18707 | -12229 |
| Education for the Handicapped | 3319 | 5432 | 4828 | -604 |
| Vocational Education | 2713 | 3902 | 2812 | -1090 |
| Adult Education | 415 | 735 | 484 | -251 |
| Bilingual Education | 1471 | 3561 | 1794 | -1767 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 8144 | 14199 | 10650 | -3549 |
| Supplemental Educational Opportunity Grants | 1073 | 1460 | 0 | -1460 |
| College Work Study | 2369 | 3623 | 2734 | -889 |

Reagan Budget FY86 vs. Inflation Adjustment

Nebraska State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 16665 | 23446 | 17706 | -5740 |
| State Block Grant (ECIA Chapter II) | 3431 | 6683 | 3248 | -3435 |
| Impact Aid (not forward funded) | 9514 | 17521 | 9819 | -7702 |
| Education for the Handicapped | 7865 | 10195 | 9305 | -890 |
| Vocational Education | 4927 | 6947 | 5022 | -1925 |
| Adult Education | 714 | 1097 | 722 | -375 |
| Bilingual Education | 0 | 584 | 294 | -290 |
| New Math and Science Bill | 0 | 0 | 585 | 585 |
| Pell Grants | 17687 | 30158 | 22620 | -7538 |
| Supplemental Educational Opportunity Grants | 2307 | 3673 | 0 | -3673 |
| College Work Study | 3374 | 5444 | 5210 | -234 |

Reagan Budget FY86 vs. Inflation Adjustment

### Nevada State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 4883 | 9179 | 6922 | -2257 |
| State Block Grant (ECIA Chapter II) | 1025 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 4911 | 5307 | 4157 | -1150 |
| Education for the Handicapped | 2919 | 4525 | 4053 | -472 |
| Vocational Education | 1750 | 3297 | 2428 | -869 |
| Adult Education | 314 | 743 | 489 | -254 |
| Bilingual Education | 339 | 322 | 162 | -160 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 3028 | 5605 | 4204 | -1401 |
| Supplemental Educational Opportunity Grants | 501 | 877 | 0 | -877 |
| College Work Study | 905 | 1373 | 1850 | 477 |

Reagan Budget FY86 vs. Inflation Adjustment

New Hampshire State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 6426 | 11222 | 8566 | -2656 |
| State Block Grant (ECIA Chapter II) | 1238 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 2097 | 2806 | 1888 | -918 |
| Education for the Handicapped | 2698 | 4676 | 4164 | -512 |
| Vocational Education | 2752 | 4316 | 3098 | -1218 |
| Adult Education | 441 | 823 | 542 | -281 |
| Bilingual Education | 425 | 0 | 0 | 0 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 9670 | 11772 | 8830 | -2942 |
| Supplemental Educational Opportunity Grants | 3449 | 5032 | 0 | -5032 |
| College Work Study | 4096 | 7023 | 2750 | -4273 |

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Reagan Budget FY86 vs. Inflation Adjustment

## New Jersey State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 79405 | 150151 | 113853 | -36298 |
| State Block Grant (ECIA Chapter II) | 13240 | 30476 | 14812 | -15664 |
| Impact Aid (not forward funded) | 11650 | 21527 | 11938 | -9589 |
| Education for the Handicapped | 32845 | 50473 | 46318 | -4155 |
| Vocational Education | 17918 | 26057 | 18751 | -7306 |
| Adult Education | 3348 | 4496 | 2960 | -1536 |
| Bilingual Education | 3629 | 4961 | 2499 | -2462 |
| New Math and Science Bill | 0 | 0 | 2668 | 2668 |
| Pell Grants | 64167 | 94032 | 70530 | -23502 |
| Supplemental Educational Opportunity Grants | 7496 | 12203 | 0 | -12203 |
| College Work Study | 12069 | 18587 | 20390 | 1803 |

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Reagan Budget FY86 vs. Inflation Adjustment

## New Mexico State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 27106 | 39963 | 29677 | -10286 |
| State Block Grant (ECIA Chapter II) | 2005 | 6382 | 3102 | -3280 |
| Impact Aid (not forward funded) | 26403 | 47060 | 31096 | -15964 |
| Education for the Handicapped | 1054 | 9718 | 8533 | -1185 |
| Vocational Education | 4608 | 7072 | 5061 | -2011 |
| Adult Education | 552 | 1057 | 696 | -361 |
| Bilingual Education | 5440 | 10817 | 5449 | -5368 |
| New Math and Science Bill | 0 | 0 | 559 | 559 |
| Pell Grants | 15921 | 20716 | 15538 | -5178 |
| Supplemental Educational Opportunity Grants | 0 | 3947 | 0 | -3947 |
| College Work Study | 4651 | 7726 | 5236 | -2490 |

Reagan Budget FY86 vs. Inflation Adjustment

### New York State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 282342 | 498494 | 377110 | -121384 |
| State Block Grant (ECIA Chapter II) | 41953 | 71019 | 34517 | -36502 |
| Impact Aid (not forward funded) | 41075 | 33293 | 10220 | -23073 |
| Education for the Handicapped | 49314 | 87690 | 76584 | -11106 |
| Vocational Education | 46570 | 67109 | 48277 | -18832 |
| Adult Education | 8335 | 10471 | 6884 | -3587 |
| Bilingual Education | 24636 | 49481 | 24926 | -24555 |
| New Math and Science Bill | 0 | 0 | 6217 | 6217 |
| Pell Grants | 310544 | 490747 | 368090 | -122657 |
| Supplemental Educational Opportunity Grants | 30380 | 43714 | 0 | -43714 |
| College Work Study | 52756 | 67504 | 60817 | -6687 |

Reagan Budget FY86 vs. Inflation Adjustment

### North Carolina State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 93793 | 109084 | 82064 | -27020 |
| State Block Grant (ECIA Chapter II) | 9815 | 25700 | 12491 | -13209 |
| Impact Aid (not forward funded) | 10802 | 21806 | 4417 | -17389 |
| Education for the Handicapped | 24732 | 42493 | 37213 | -5280 |
| Vocational Education | 19197 | 30999 | 21934 | -9065 |
| Adult Education | 2939 | 4604 | 3031 | -1573 |
| Bilingual Education | 660 | 756 | 381 | -375 |
| New Math and Science Bill | 0 | 0 | 2250 | 2250 |
| Pell Grants | 62639 | 78996 | 59252 | -19744 |
| Supplemental Educational Opportunity Grants | 8602 | 13318 | 0 | -13318 |
| College Work Study | 13866 | 21097 | 19462 | -1635 |

Reagan Budget FY86 vs. Inflation Adjustment

## North Dakota State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 9191 | 11759 | 8949 | -2810 |
| State Block Grant (ECIA Chapter II) | 1026 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 7231 | 13764 | 8759 | -5005 |
| Education for the Handicapped | 2316 | 3845 | 3516 | -329 |
| Vocational Education | 2311 | 3214 | 2368 | -846 |
| Adult Education | 417 | 724 | 477 | -247 |
| Bilingual Education | 0 | 3688 | 1858 | -1830 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 9320 | 18035 | 13527 | -4508 |
| Supplemental Educational Opportunity Grants | 2087 | 3265 | 0 | -3265 |
| College Work Study | 2161 | 3743 | 2405 | -1338 |

Reagan Budget FY86 vs. Inflation Adjustment

### Ohio State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 94471 | 156612 | 118919 | -37693 |
| State Block Grant (ECIA Chapter II) | 31702 | 46218 | 22463 | -23755 |
| Impact Aid (not forward funded) | 9315 | 10882 | 3311 | -7571 |
| Education for the Handicapped | 41490 | 65990 | 58069 | -7921 |
| Vocational Education | 32261 | 47245 | 33546 | -13699 |
| Adult Education | 4731 | 6359 | 4187 | -2172 |
| Bilingual Education | 1043 | 3412 | 1719 | -1693 |
| New Math and Science Bill | 0 | 0 | 4046 | 4046 |
| Pell Grants | 90630 | 172326 | 129255 | -43071 |
| Supplemental Educational Opportunity Grants | 14277 | 21084 | 0 | -21084 |
| College Work Study | 21102 | 31211 | 31767 | 556 |

Reagan Budget FY86 vs. Inflation Adjustment

Oklahoma State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 36635 | 54739 | 40971 | -13768 |
| State Block Grant (ECIA Chapter II) | 3983 | 13557 | 6589 | -6968 |
| Impact Aid (not forward funded) | 21118 | 33350 | 22675 | -10675 |
| Education for the Handicapped | 13114 | 20060 | 18531 | -1529 |
| Vocational Education | 9107 | 13033 | 9750 | -3283 |
| Adult Education | 1316 | 2107 | 1387 | -720 |
| Bilingual Education | 1922 | 5896 | 2970 | -2926 |
| New Math and Science Bill | 0 | 0 | 1187 | 1187 |
| Pell Grants | 28897 | 41075 | 30809 | -10266 |
| Supplemental Educational Opportunity Grants | 3814 | 5972 | 0 | -5972 |
| College Work Study | 6255 | 10008 | 9304 | -704 |

### Oregon State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY8 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 33535 | 54667 | 39401 | -15266 |
| State Block Grant (ECIA Chapter II) | 2904 | 10857 | 5277 | -5580 |
| Impact Aid (not forward funded) | 3320 | 4632 | 2248 | -2384 |
| Education for the Handicapped | 11066 | 22970 | 17307 | -5663 |
| Vocational Education | 7073 | 11208 | 8053 | -3155 |
| Adult Education | 956 | 1555 | 1024 | -531 |
| Bilingual Education | 937 | 2134 | 1075 | -1059 |
| New Math and Science Bill | 0 | 0 | 951 | 951 |
| Pell Grants | 26137 | 46722 | 35044 | -11678 |
| Supplemental Educational Opportunity Grants | 6775 | 11175 | 0 | -11175 |
| College Work Study | 8583 | 13530 | 7612 | -5918 |

Reagan Budget FY86 vs. Inflation Adjustment

Pennsylvania State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 137131 | 222747 | 168419 | -54328 |
| State Block Grant (ECIA Chapter II) | 18051 | 47481 | 23077 | -24404 |
| Impact Aid (not forward funded) | 10606 | 10587 | 3558 | -7029 |
| Education for the Handicapped | 39958 | 59907 | 53781 | -6126 |
| Vocational Education | 34002 | 50245 | 36144 | -14101 |
| Adult Education | 5621 | 7333 | 4828 | -2505 |
| Bilingual Education | 1458 | 2692 | 1356 | -1336 |
| New Math and Science Bill | 0 | 0 | 4157 | 4157 |
| Pell Grants | 130043 | 193356 | 145029 | -48327 |
| Supplemental Educational Opportunity Grants | 21620 | 31514 | 0 | -31514 |
| College Work Study | 29205 | 42356 | 35548 | -6808 |

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Reagan Budget FY86 vs. Inflation Adjustment

### Rhode Island State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 10323 | 16741 | 12916 | -3825 |
| State Block Grant (ECIA Chapter II) | 2801 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 2446 | 3975 | 2202 | -1773 |
| Education for the Handicapped | 3927 | 5794 | 5295 | -499 |
| Vocational Education | 2909 | 4405 | 3160 | -1245 |
| Adult Education | 616 | 987 | 650 | -337 |
| Bilingual Education | 2225 | 2064 | 1040 | -1024 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 14980 | 18958 | 14220 | -4738 |
| Supplemental Educational Opportunity Grants | 3497 | 5458 | 0 | -5458 |
| College Work Study | 4637 | 7166 | 3213 | -3953 |

Reagan Budget FY86 vs. Inflation Adjustment

South Carolina State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 57428 | 67103 | 51177 | -15926 |
| State Block Grant (ECIA Chapter II) | 6273 | 14586 | 7089 | -7497 |
| Impact Aid (not forward funded) | 8820 | 11667 | 6716 | -4951 |
| Education for the Handicapped | 15697 | 22454 | 20629 | -1825 |
| Vocational Education | 10779 | 17290 | 12305 | -4985 |
| Adult Education | 1557 | 2615 | 1722 | -893 |
| Bilingual Education | 0 | 20 | 14 | -14 |
| New Math and Science Bill | 0 | 0 | 1277 | 1277 |
| Pell Grants | 37103 | 50877 | 38161 | -12716 |
| Supplemental Educational Opportunity Grants | 4195 | 6547 | 0 | -6547 |
| College Work Study | 8397 | 12198 | 11226 | -972 |

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Reagan Budget FY86 vs. Inflation Adjustment

### South Dakota State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 9587 | 14094 | 10860 | -3234 |
| State Block Grant (ECIA Chapter II) | 1261 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 13002 | 25251 | 23213 | -2038 |
| Education for the Handicapped | 2316 | 4385 | 3770 | -615 |
| Vocational Education | 2591 | 3480 | 2641 | -839 |
| Adult Education | 430 | 841 | 488 | -353 |
| Bilingual Education | 1117 | 2771 | 1396 | -1375 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 12417 | 21969 | 16478 | -5491 |
| Supplemental Educational Opportunity Grants | 2244 | 3427 | 0 | -3427 |
| College Work Study | 3061 | 5109 | 2816 | -2293 |

Reagan Budget FY86 vs. Inflation Adjustment

### Tennessee State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---:|---:|---:|---:|
| ECIA Chapter I (ESEA Title I Basic Grants) | 68304 | 89482 | 68771 | -20711 |
| State Block Grant (ECIA Chapter II) | 6835 | 19919 | 9680 | -10239 |
| Impact Aid (not forward funded) | 7719 | 11224 | 2226 | -8998 |
| Education for the Handicapped | 26357 | 35068 | 31870 | -3198 |
| Vocational Education | 14732 | 23516 | 16838 | -6678 |
| Adult Education | 2237 | 3616 | 2381 | -1235 |
| Bilingual Education | 905 | 889 | 448 | -441 |
| New Math and Science Bill | 0 | 0 | 1744 | 1744 |
| Pell Grants | 53338 | 81125 | 60849 | -20276 |
| Supplemental Educational Opportunity Grants | 6569 | 8977 | 0 | -8977 |
| College Work Study | 10549 | 14755 | 15679 | 924 |

Reagan Budget FY86 vs. Inflation Adjustment

### Texas State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 258244 | 398156 | 289037 | -109119 |
| State Block Grant (ECIA Chapter II) | 38524 | 68706 | 33392 | -35314 |
| Impact Aid (not forward funded) | 33731 | 43647 | 22398 | -21249 |
| Education for the Handicapped | 60934 | 89511 | 81888 | -7623 |
| Vocational Education | 40269 | 62095 | 45640 | -16455 |
| Adult Education | 5501 | 9092 | 5986 | -3106 |
| Bilingual Education | 22659 | 22883 | 11527 | -11356 |
| New Math and Science Bill | 0 | 0 | 6014 | 6014 |
| Pell Grants | 90609 | 136149 | 102120 | -34029 |
| Supplemental Educational Opportunity Grants | 17691 | 26776 | 0 | -26776 |
| College Work Study | 28371 | 45831 | 50342 | 4511 |

Reagan Budget FY86 vs. Inflation Adjustment

Utah State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 10066 | 17472 | 13208 | -4264 |
| State Block Grant (ECIA Chapter II) | 2063 | 8137 | 3955 | -4182 |
| Impact Aid (not forward funded) | 7562 | 20157 | 4901 | -15256 |
| Education for the Handicapped | 8859 | 19580 | 15194 | -4386 |
| Vocational Education | 4744 | 7829 | 5677 | -2152 |
| Adult Education | 471 | 882 | 581 | -301 |
| Bilingual Education | 1113 | 1929 | 972 | -957 |
| New Math and Science Bill | 0 | 0 | 712 | 712 |
| Pell Grants | 15928 | 28539 | 21406 | -7133 |
| Supplemental Educational Opportunity Grants | 1920 | 3286 | 0 | -3286 |
| College Work Study | 2874 | 4758 | 4852 | 94 |

Reagan Budget FY86 vs. Inflation Adjustment

Vermont State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 6520 | 11457 | 8573 | -2884 |
| State Block Grant (ECIA Chapter II) | 1306 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 126 | 104 | 134 | 30 |
| Education for the Handicapped | 3130 | 7103 | 4650 | -2453 |
| Vocational Education | 1800 | 2787 | 2056 | -731 |
| Adult Education | 324 | 629 | 414 | -215 |
| Bilingual Education | 495 | 1110 | 559 | -551 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 7623 | 9326 | 6995 | -2331 |
| Supplemental Educational Opportunity Grants | 3599 | 5540 | 0 | -5540 |
| College Work Study | 3863 | 6319 | 1673 | -4646 |

Reagan Budget FY86 vs. Inflation Adjustment

## Virginia State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 62216 | 82595 | 62986 | -19609 |
| State Block Grant (ECIA Chapter II) | 9820 | 22616 | 10992 | -11624 |
| Impact Aid (not forward funded) | 36740 | 79368 | 21849 | -57519 |
| Education for the Handicapped | 23784 | 46087 | 37876 | -8211 |
| Vocational Education | 16303 | 24277 | 17221 | -7056 |
| Adult Education | 2374 | 3726 | 2453 | -1273 |
| Bilingual Education | 2772 | 1413 | 714 | -699 |
| New Math and Science Bill | 0 | 0 | 1980 | 1980 |
| Pell Grants | 44168 | 69916 | 52441 | -17475 |
| Supplemental Educational Opportunity Grants | 6600 | 10409 | 0 | -10409 |
| College Work Study | 11288 | 16613 | 16596 | -17 |

Reagan Budget FY86 vs. Inflation Adjustment

### Washington State Table
### Appropriations, Thousands of Dollars
### For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 45621 | 74287 | 53982 | -20305 |
| State Block Grant (ECIA Chapter II) | 7155 | 17454 | 8483 | -8971 |
| Impact Aid (not forward funded) | 20792 | 35587 | 17644 | -17943 |
| Education for the Handicapped | 13212 | 28822 | 23611 | -5211 |
| Vocational Education | 10384 | 16667 | 11806 | -4861 |
| Adult Education | 1356 | 2114 | 1392 | -722 |
| Bilingual Education | 3125 | 4310 | 2171 | -2139 |
| New Math and Science Bill | 0 | 0 | 1520 | 1520 |
| Pell Grants | 30630 | 52837 | 39631 | -13206 |
| Supplemental Educational Opportunity Grants | 9176 | 13673 | 0 | -13673 |
| College Work Study | 11651 | 16279 | 12129 | -4150 |

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Reagan Budget FY86 vs. Inflation Adjustment

West Virginia State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 30038 | 41100 | 31518 | -9582 |
| State Block Grant (ECIA Chapter II) | 1899 | 8609 | 4184 | -4425 |
| Impact Aid (not forward funded) | 456 | 275 | 71 | -204 |
| Education for the Handicapped | 7385 | 14077 | 12576 | -1501 |
| Vocational Education | 6004 | 9573 | 6937 | -2636 |
| Adult Education | 1090 | 1744 | 1148 | -596 |
| Bilingual Education | 0 | 0 | 0 | 0 |
| New Math and Science Bill | 0 | 0 | 754 | 754 |
| Pell Grants | 15725 | 28195 | 21148 | -7047 |
| Supplemental Educational Opportunity Grants | 2580 | 4138 | 0 | -4138 |
| College Work Study | 4242 | 6951 | 6331 | -620 |

Reagan Budget FY86 vs. Inflation Adjustment

## Wisconsin State Table
## Appropriations, Thousands of Dollars
## For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 49009 | 69820 | 52536 | -17284 |
| State Block Grant (ECIA Chapter II) | 9023 | 20281 | 9857 | -10424 |
| Impact Aid (not forward funded) | 4510 | 6691 | 5064 | -1627 |
| Education for the Handicapped | 14084 | 24996 | 22285 | -2711 |
| Vocational Education | 14846 | 21458 | 15325 | -6133 |
| Adult Education | 1951 | 2789 | 1836 | -953 |
| Bilingual Education | 933 | 1546 | 779 | -767 |
| New Math and Science Bill | 0 | 0 | 1775 | 1775 |
| Pell Grants | 45718 | 76739 | 57559 | -19180 |
| Supplemental Educational Opportunity Grants | 10891 | 17893 | 0 | -17893 |
| College Work Study | 11918 | 17982 | 14752 | -3230 |

606.

Reagan Budget FY86 vs. Inflation Adjustment

Wyoming State Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 5132 | 7321 | 5466 | -1855 |
| State Block Grant (ECIA Chapter II) | 345 | 5088 | 2473 | -2615 |
| Impact Aid (not forward funded) | 5401 | 11117 | 5184 | -5933 |
| Education for the Handicapped | 2242 | 3621 | 3242 | -379 |
| Vocational Education | 1318 | 1902 | 1407 | -495 |
| Adult Education | 268 | 567 | 373 | -194 |
| Bilingual Education | 328 | 667 | 336 | -331 |
| New Math and Science Bill | 0 | 0 | 446 | 446 |
| Pell Grants | 2493 | 4664 | 3498 | -1166 |
| Supplemental Educational Opportunity Grants | 453 | 761 | 0 | -761 |
| College Work Study | 544 | 908 | 1266 | 358 |

407.

Reagan Budget FY86 vs. Inflation Adjustment

Commonwealth of Puerto Rico Table
Appropriations, Thousands of Dollars
For Selected Education Programs

| Program | Appropriations FY80 (School Year '80-'81) | FY86 Adjusted For Inflation (School Year '86-'87) Since 1980 | Reagan Budget FY86 (School Year '86-'87) | Difference Reagan Budget FY86 vs. Inflation Adjustment |
|---|---|---|---|---|
| ECIA Chapter I (ESEA Title I Basic Grants) | 115249 | 152382 | 115778 | -36604 |
| State Block Grant (ECIA Chapter II) | 4800 | 10855 | 9164 | -9691 |
| Impact Aid (not forward funded) | 5004 | 3023 | 0 | -3023 |
| Education for the Handicapped | 4592 | 10751 | 9852 | -899 |
| Vocational Education | 11276 | 17427 | 12573 | -4854 |
| Adult Education | 1744 | 3067 | 2019 | -1048 |
| Bilingual Education | 2129 | 5118 | 2578 | -2540 |
| New Math and Science Bill | 0 | 0 | 1651 | 1651 |
| Pell Grants | 116790 | 247777 | 185848 | -61929 |
| Supplemental Educational Opportunity Grants | 6630 | 8596 | 0 | -8596 |
| College Work Study | 7474 | 19629 | 32941 | 13312 |

NOTE: Figures for FY86 Adjusted for Inflation represent amounts required to maintain FY 1980 funding levels after accounting for inflation. Inflation (CPIU) is measured for the period of a Federal Fiscal Year (October 1 through September 30). Inflation estimates for 1985 are derived from projections by Data Resources, Inc.

Prepared for NEA by Fiscal Planning Services, Inc., Washington, D.C.

Senator **WEICKER**. Thank you very much for your testimony. It is interesting you mentioned the business of magnet schools. I was watching my television a couple of weeks ago. I guess it was on one of the local school districts around here, the fuss and furor about desegregation or integrating the school system. I heard all this talk about the superintendent on down on how we are going to have magnet schools, et cetera to comply with the court orders, and I hear a great deal from the administration on magnet schools as being an alternative to busing and whatever other court-ordered remedies there are.

I believe, I stood on the floor of the U.S. Senate about 8 years ago advocating a tax surcharge. It was during one of the segregation debates, with the moneys to be applied to the magnet school concept. I got voted down roundly on that.

I think magnet schools are a great idea. There seems to be strong support for the concept.

But who is standing up and saying we ought to put money in it?

Ms. **TARR-WHELAN**. It is a very real problem. I think the county is Prince Georges County in the suburban area. There was a piece in the New York Times last week about the magnet schools in Buffalo and what an excellent program it is. That is one of the cities which lost a great deal of assistance when the 1981 reconciliation went through. It is, indeed, a program which we know could help.

The National Education Association feels the Federal courts should have jurisdiction to put busing in the plan or anything that will accomplish the major goal of desegregating the schools and doing a good job of it. But the magnet schools, we recognize, is an important component of that, and the administration's lack of support after the bill went through and with the support of chairman of the Labor and Human Resources Committee, albeit a bit begrudgingly, we were sorry to see the administration not come in with a request, and certainly hope you will fund that area.

Senator **WEICKER**. Certainly, I am willing to do everything I can, but I think the local school districts, if they want to go ahead and figure out alternatives to the plans to the court orders, they better be ready to pay for them. I think magnet schools are a wonderful idea, but they cost money.

Ms. **TARR-WHELAN**. That is right.

Senator **WEICKER**. As I said before, I will tell you, you can't have your prejudices and your wallet intact. Something gives.

Ms. **TARR-WHELAN**. That is exactly right. We would like to help you see that the wallet gives a little bit in this case.

Senator **WEICKER**. Right.

Ms. **TARR-WHELAN**. Thank you very much, Senator.

### STATEMENT OF GERDA BIKALES, EXECUTIVE DIRECTOR, U.S.ENGLISH

Senator **WEICKER**. Next is Gerda Bikales, executive director of U.S.English.

Ms. Bikales. We appreciate the opportunity to be here and give you our views on funding bilingual education in the coming year. U.S.English was founded by one of your former colleagues, Senator Hayakawa, in 1983. It is the foremost national public interest organization stimulating the national discussion about the language future of this country.

I am here to support more and better programs for educating children of limited English proficiency, but to oppose the monopoly bilingual education has been granted under title VII.

We have a recent report of a research by Mr. Gilbert Garcia, manager of research at the bilingual education, and I quote:

> Only about two-thirds of the limited English proficient students were reclassified as sufficiently proficient in English to participate in all-English classrooms after being in the program for 3 years. Moreover, many program directors and teachers reported that their students would need 4 to 5 years of special instruction before they would become proficient in English.

We find this an unacceptable timetable for segregating children somewhere between 3 and 5 years. We know that there are other methods of educating the child who comes to the schools not knowing our language and that there is no need to limit funding to just bilingual education.

The Department of Education, in its 1986 budget, has stated, again, I quote, "There is no research or other information to support the current limitation in law."

Unfortunately, this is not just a neutral pedagogic method to educating children, and it is also highly political. Here are some examples of some of the irrational things we have seen this year, which are inspired by the high support enjoyed by bilingual education here in Washington.

Due to time limits, I will just limit it to the example of Fillmore, for example, in which all resources in the school system go to bilingual education and American-born children who speak nothing but English are forced to go into bilingual education classes because there are no others.

In Houston, TX, the pressure for bilingual teachers, it is a totally artificial pressure, of course, has sent these people looking around for teachers in Mexico, as though the teacher were some sort of neutral technician and not the primary source of translating the host culture to these immigrant children.

In Union City, we have just this past month or so seen a candidate for the local board of education who knows no English, and he felt that he was justified in running, apparently, but the board felt he was not. Anyway, this went to several courts, one of which ruled that it was all right for him not to know any English. This was over turned, fortunately.

In summary, we feel that the American people want to support special help for our immigrant children, and they are willing to pay for that help, but they want these youngsters to learn English rapidly and to become a part of the American society. They don't see any need for an entire parallel educational system that insulates and isolates the student from the main stream, and they certainly resent having to pay for that.

So I thank you very much, Senator Weicker, and I hope that we are not going to see any large increases in a program that really is very problematic.

PREPARED STATEMENT

Senator WEICKER. Thank you very much for your testimony. Your statement in its entirety will be included in the record.

Ms. BIKALES. Thank you.

[The statement follows:]

## STATEMENT OF GERDA BIKALES

U.S.ENGLISH and its 100,000 members thank you for the opportunity you have extended to us to participate in the continuing debate over federal funding of Bilingual Education programs.

U.S.ENGLISH was founded by former Senator S.I. Hayakawa in 1983, as a national public interest organization to defend the primacy of our common language in the nation's official life.

I am here to support more and better programs for educating children of limited English proficiency, and to oppose the monopoly that bilingual education has been granted under Title VII.

The American people continue to have grave misgivings about the wisdom of programs that keep the immigrant child immersed in his home language for years on end. Though there may well be some programs that help children make a rapid transition to the standard classroom, most seem to slow down the child's progress in English. Mr. Gilbert Garcia, Manager of Research and Evaluation at the Office of Bilingual Education and Minority Affairs, has just written a review of recent research funded by his Office, from which I quote:

"Only about two-thirds of the limited-English-proficient students were reclassified as sufficiently proficient in English to participate in all-English classrooms after being in the program for three years. Moreover, many program directors and teachers reported that their students would need four to five years of special instruction before they would become proficient in English." (from FORUM, April/May 1985, published by the National Clearinghouse on Bilingual Education)

We consider this an unacceptable time-table for bringing our immigrant children into the mainstream. Even if the children eventually learn English, they will have lost out in terms of interaction with their American peers. After three to five years of bilingual education in a self-segregated environment, these youngsters are condemned to be permanent "outsiders", who are unlikely to ever feel at home in the host society.

Contrary to the claims of the vested interests that derive money and prestige from bilingual programs, foremost among these the National Association for Bilingual Education, there are other methods of educating the child who comes to school not knowing our language. There is no need to limit federal support to bilingual education, when this method is not demonstrably better than others. As the U.S. Department of Education has stated in its FY 1986 Budget, "There is no research or other information to support the current limitation in law."

Unfortunately, bilingual education has become far more than merely a pedagogic approach to educating students who don't know English. It is a highly political campaign for jobs, money and recognition by a whole industry fueled by tax-dollars. The beneficiaries will resort to threats, distortions, and hysteria to force upon the American public their dogmatic vision of education. Here are some examples:

---Last year in New Jersey, Education Commissioner Saul Cooperman asked the State Board of Education to limit to three the number of years a child can spend in bilingual classes. This brought forth massive and ill-tempered protests from bilingual education supporters, who claimed that three years is rushing the transition too much.

---Again in New Jersey, Commissioner Cooperman is instituting, on an experimental basis, several programs of structured immersion. As you know,

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immersion has worked remarkably well throughout our history as a nation assimilating millions of immigrants, and it is again proving its worth in Canada, where large numbers of English speaking students are quickly learning French that way.

Commissioner Cooperman has been reviled and abused for his willingness to try an experiment on alternatives to bilingual education. I enclose a clipping from El Diario La Prensa (March 13, 1985) with the arresting headline: "THEY WANT TO MURDER OUR LANGUAGE."

---In Fillmore, California, all resources in the school system have been put into bilingual education. There are literally no standard classes available to the children in that school district. American-born youngsters, growing up in English-speaking homes and knowing no other language, are forced to attend bilingual education classes, despite their parents' protests. I hasten to add that Fillmore is not an isolated case--there are many other communities in which our children are unable to obtain a regular elementary education in English.

---In Houston, TX, the artificially created "shortage" of bilingual education teachers prompted the school district to start recruiting teachers in Mexico. These foreign teachers are clearly not suitable interpreters of our national culture to the immigrant child; this must have occurred to some school administrators, but the coercion to educate the students in their native language is so titanic, as to cause school administrators to lose all perspective and good sense.

---In Union City, NJ, this past spring, an individual who knew no English became a candidate for the local Board of Education. When the Board challenged his candidacy, the would-be Board member was upheld in Hudson County Superior Court. Fortunately, the Appelate Division reversed the decision, noting that a school Board member who speaks no English is an offense to common sense.

These excesses are inspired and encouraged by federal support of bilingual education, to the exclusion of all other approaches. What happens in Washington influences the tone of education for the limited English proficient everywhere, and the result is the kind of madness related above.

Last year, the reauthorization of the federal Bilingual Education Act was masterfully engineered to coincide with the presidential and congressional elections. As a consequence, the long awaited reforms came to naught--the "compromise" that allows 4% of the funding to go to programs featuring alternatives to bilingual education can't be labeled as "reform" in any true sense of the word. Nevertheless, it leaves the door open for reinterpretation.

Our recommendation, therefore, for funding Title VII in 1986 is as follows:

1. If the Subcommittee interprets the 4% written into last year's revision of the Act as a floor, then we feel that the amount requested by the Department of Education is justified; we urge the members to clarify that they expect at least half the new grants to finance prgrams in alternative methods, and we endorse an expenditure of $143 million in federal help to school districts struggling to educate large numbers of children who don't speak our language.

2. If the Subcommittee interprets the 4% as a ceiling, then we urge that the FY 1986 appropriation be kept below the $100 million mark. The federal activities in this area influence what happens in the states, and a lower funding level will have salutary repercussions. The capacity for mischief in this program is seemingly unlimited, judging by the kinds of

things I have outlined. Cutting monies for Title VII (if it is to be almost entirely for bilingual education) will not only spare us further grief, but also help our strained national treasury.

3. In either case, we recommend that the monies be specified for help in the classroom, to the children. There is no need to parcel out nearly half the monies for other projects, such as training grants, the net effect of which is to institutionalize bilingual education.

The American people support special help for our immigrant children, and they are willing to pay for that help. They want these youngsters to learn English rapidly, and become part of American society. They see no need for an entire parallel educational system to isolate --and insulate--these students from the mainstream, and they resent having to forcibly finance such a system.

I thank you for the opportunity to express our views.

## STATEMENT OF CHARLES L. McEVERS, SUPERINTENDENT, TAHOLAH SCHOOL DISTRICT NO. 77

## ACCOMPANIED BY JOHN VALLER, VICE CHAIRMAN, TAHOLAH SCHOOL DISTRICT NO. 77 BOARD OF DIRECTORS

Senator WEICKER. Charles McEvers, superintendent of Tahola School District No. 77.

Mr. McEVERS. Good morning, Senator Weicker.

Senator WEICKER. Good morning. Have a seat.

Mr. McEVERS. I appreciate the opportunity to appear before you this morning. As noted, my name is Charles McEvers. I am the superintendent of the Tahola School District, which is in the State of Washington, situated entirely within the bottom of the Quinault Indian Reservation.

I would like to introduce Mr. John Valler, who is the vice chairman of our board of directors.

You have a written statement from us. I will not read it. I do want to point out that our testimony is aimed at the need for funding for Public Law 81-815, a construction Federal impact funding, and we are focusing on that for two reasons: one, that our district is now in the position of having to construct a high school where we have not had a high school previously, and with an extremely limited tax base which does not offer us the potential of construction funding, local funds that are necessary to match the funding that could be expected to be available from the State.

There simply is no other source to turn to for construction funding in this kind of a situation, and it is because of the direct effect of the Federal presence in the form of Indian trust land.

We understand that the administration's budget includes no funding for Public Law 81-815. We understand that has been a common pattern in recent years and that the Congress has appropriated funds in the amount of $20 million over the past several years.

Our request is that the funding for that program be continued and that it be continued at the fiscal 1985 level. If it were any other year, we might well be advocating an increase in funding, but it seems it would be reasonable to continue at fiscal 1985. I want to comment also that our emphasis on Public Law 81-815 is not to indicate a lack of support for an appropriate level of funding for Public Law 81-874. We know that that issue has been lobbied very heavily.

We indicate our support for it. But Public Law 81-815 does not get the attention Public Law 81-874 does because it is a relatively small program and because the number of school districts that receive funding from it in any given year is relatively small.

I appreciate the opportunity to be here.

### PREPARED STATEMENT

Senator WEICKER. Thank you very much, and your statement in its entirety will be included in the record. I greatly appreciate your making the effort to be here. Thank you.

[The statement follows:]

### STATEMENT OF CHARLES L. MCEVERS

Issues: Maintain Department of Education Division of Impact Aid appropriations for fiscal year 1986 at fiscal year 1985 levels including:

—Public Law 81-815, financial assistance for school construction in federally affected areas, $20 million.

—Public Law 81-874, impact aid, $675 million.

I appreciate the opportunity to present testimony before this appropriations subcommittee regarding the fiscal year 1986 appropriations for the Impact Aid Program in the Department of Education. We urge the Congress to maintain these programs at the fiscal year 1985 level and reject the administration request to eliminate this most justified Federal assistance.

Our primary concern is that the Public Law 81-815 financial assistance for school construction in federally affected areas be maintained in fiscal year 1986 at the fiscal year 1985 level of $20 million. This program provides Federal support for minimum school facilities construction to school districts heavily impacted by the presence of Federal activities such as military or Federal installations and Indian reservations. Major disaster assistance is also available to restore seriously damaged school facilities. The Federal assistance is essential to these local school districts as the Federal or Indian trust land nontaxable status seriously reduces the school district's capacity to generate necessary construction revenue.

The Public Law 81-815 program addresses unique local school district construction needs and is the only Federal program available to provide assistance. The fiscal year 1985 appropriations of $20 million provides $8,500,000 for school construction on Indian lands; and $3 million for school construction on federally impacted nontaxable land primarily resolving health and safety factors.

The backlog of approved and pending Public Law 81-815 program applications attests to the existing need and justifies program continuation of fiscal year 1985 levels. There are 119 military applications for school construction pending estimated at $90,269,000. Applications pending for school construction on Indian lands total 94 estimated at $208,070,000. The Public Law 81-815 program annually supports prioritized construction projects for local school districts to meet the needs of inadequately housed pupils. Although the program is small in comparison to the Federal programs under this appropriation subcommittee jurisdiction, it's purpose and expressed needs justify continuation.

A constant factor in each application is the predominant Federal presence. For example, the Taholah School District, located within the boundaries of the Quinault Indian Reservation on the Pacific coast of Washington State, provides education instruction for 170 full-time students from kindergarten through the eighth grade. Currently, Taholah School District students attend high school in the North Beach School District High School located 10 miles south of Taholah. The North Beach School District plans to move its school facilities 20 miles further south to Ocean Shores, WA.

The Quinault Indian people residing in the Taholah School District voted in public referendum in February 1984 to establish a high school program for its students. The high school program, endorsed by surrounding school districts, will provide a continuity of quality educational instruction for the youth residing in Taholah and local communities. As the district resident population is predominantly Quinault tribal members, Federal assistance for construction will be necessary to provide school facilities for an estimated 100 high school students as normal local and State sources of construction revenue are seriously inadequate to the district due to the predominance of Federal rust funds.

We would also urge this appropriations subcommittee to maintain the Public Law 81-874 Impact Aid Program at the fiscal year 1985 level of $675 million and reject the dministration request to eliminate entitlement support for category "B" students. The amilies of these students provide only partial support to the local school districts proiding free public education due to their relationship to Federal activities. It is simply ot equitable to require local residents to bear a higher proportion of the financial burden of a free public education due to a Federal presence in the school district. There must be a balanced Federal contribution to the local education revenue base as compensation to fairly distribute the cost of free public instruction.

I appreciate the attention and consideration the appropriations subcommittee membership and staff have given to our testimony. Thank you.

## STATEMENT OF THOMAS SHIPLEY, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF FEDERALLY IMPACTED SCHOOLS

Senator WEICKER. Mr. Thomas Shipley, executive director of the National Association of Federally Impacted Schools.

Mr. SHIPLEY. Good morning, Mr. Chairman.

Senator WEICKER. Good morning.

Mr. SHIPLEY. I would like to thank you for allowing me to testify on behalf of the well over 2 million children which are educated, in part, under Public Law 81-874, generically called Federal impact aid in support of their public schools.

To varying degrees, this revenue must come from residential taxes; from child-producing homes; residential taxes from homes with no children; business and industries; income tax; sales tax; licenses and fees. Impact aid is the Federal Government's attempt to compensate for the lost revenue where Federal ownership or Federal activity has adversely interfered with any or all of those six revenue sources.

Some of the children are from families which contribute practically nothing to the tax support system. These children have parents who live on, work on and shop on non-tax-generating Federal property. They frequently pay no income tax and frequently pay no licenses and fees due to the Soldiers and Sailors Relief Act.

This act allows uniformed personnel to establish residency and register their vehicles in any State of their choice, and it becomes quite common to select a State with no income tax and with low vehicle registration as your home base. These children are considered a serious financial burden and are paid roughly 40 to 100 percent of the entitlement and the law refers to them as category "A".

There are other children also included under impact aid; for instance, category "B" children have parents who live or work on Federal nontaxable property. These children are from families which contribute to only some of the six revenue sources but in no way contribute to the extent necessary to compensate for the cost of their public schooling.

These "B" children being justly considered by the law a less serious financial burden are paid at a range of from 10 to 60 percent their entitlement.

These entitlement figures are based on a formula which assumes that each State government will contribute about one-half of the per pupil cost. If it is going to cost $3,000 in fiscal year 1986 to train one pupil, the law assumes $1,000 will come from State aid, and about 5 percent will come from local sources. The local district must make up about $1,300 from the six revenue sources mentioned.

The serious problem with using entitlement figures when it relates to "B" children is that entitlement is related to a percent of a percent rather than to the percent of a whole. A "B" child was originally intended to receive a payment equal to one-half of his "A" counterpart. This would mean that in the law, prior to 1981, a child would receive $650 instead of the $1,300 from the local contribution rate.

After 1981, the "B" children were only entitled to receive one-third of that one-half, down around $200 per child. When the Appropriations Committee, therefore, establishes a percent at which the "B" child will be paid, the percentage is related to the $200. To say that the "B" children are paid at a range from 60 percent to 10 percent means, therefore, from $135 down to about $20 or $22 per child.

Yet the parents of these "B" children also make a severe impact on the ability to generate revenue from many of the tax sources. The parents of the "B" children, in most cases, do pay property taxes on the homes that they rent or buy. The fact that they do not generate sales tax from the commodities that they purchase on the base; they do not, in many cases, generate income tax due to their home based residencies in tax-free States and in many cases do not even generate revenue from vehicles and licences is continually and completely ignored by the critics of "B" categories.

Without a balance of the six revenue sources, a district must either reduce its services; must raise the taxes on the permanent residence; must charge tuition to those nonresident students or be reimbursed by the Federal Government. Obviously, it is not point four which bothers impact aid.

Some of these children are being educated on Indian lands; some of them are in federally owned low rent housing projects; some of them are from military families and some of them are from civilian support families.

But they are all, in one way or another, federally connected children with parents who live on or work on nontaxable Federal property. Without the ability to collect the taxes we have discussed, it becomes the Federal Government's obligation. This is a simple block grant reimbursement flowing directly from the Federal Government to the public school.

We appreciate your support. If I can be of any further assistance, I would be glad to help.

Senator WEICKER. Thank you. I have no questions.

Senator Burdick?

Senator BURDICK. I came in late. I will read your testimony.

### PREPARED STATEMENTS

Senator WEICKER. Thank you very much for your testimony. Your statement will be included in the record at this point, along with other statements for the record on appropriations for elementary and secondary education.

Mr. SHIPLEY. Thank you.

[The statements follow:]

## STATEMENT OF THOMAS SHIPLEY

Mr. Chairman, I would like to thank you and the committee members for allowing me to testify on behalf of the 2,000,000 school children who are educated, in part, under P.L. 81-874, Impact Aid. As Executive Director of the National Association of Federally Impacted Schools, it would be traditional for me to come before the committee and beg for more money. Instead, I would like to try something different - I would like to explain the concepts of school finance which drive the law. Hopefully, the need for Impact Aid reimbursement will be self-evident.

Governments have a limited variety of ways to generate revenue for support of their public schools. To varying degrees this revenue is generated from:

- Residential taxes from child producing homes
- Residential taxes from homes with no children
- Business and Industry
- Income tax
- Sales tax
- Licenses and fees

Impact Aid is the Federal government's attempt to compensate for lost revenue where Federal ownership or Federal activity adversely interferes with any or all of these six revenue sources. Some children are from families which contribute practically nothing to the tax support system. These children have parents who live on, work on, and shop on non-tax generating Federal property. They frequently pay no income tax and frequently pay no vehicle licenses and fees due to the "Soldiers and Sailors Relief Act." This act allows uniformed personnel to establish residency and register their vehicles in any state of their choice. It is common to select a state with no income tax and low vehicle registration fees as the "Home Base".

These children (being considered the most serious financial burden) are paid at a range from 40% to 100% of their entitlement, and are referred to in the law as "Category A."

Other children are also included under Impact Aid. For instance, Category B children have parents who either live on OR work on Federal non-taxable property. These children are from families which contribute to only some of the six revenue sources - but in no way contribute to the extent necessary to compensate for the cost of their public schooling. These B children (being considered a less serious financial burden) are paid at a range from 10% to 60% of their entitlement.

These entitlement figures are based on a formula which assumes that each State government will contribute about one half of the per pupil cost. If, for example, the per pupil cost is $3000, it is assumed that $1500 would come from State Aid. On the average another 5% can be deducted for other Federal supplemental programs - leaving an unmet need of $1350 per pupil to be generated from local revenue.

The serious problem with using the entitlement percentages related to the B children is that it relates to a percent of a percent rather than a percent of the whole.

1. A "B" child was originally intended to receive a payment equal to one half of his "A" counterpart. This would mean that under the law prior to 1981 a "B" child would be entitled to a payment of $675 from a base Local Contribution Rate of $1,350.
2. After 1981, "B" children were only entitled to a payment equal to one third of the original half. This would mean that a "B" child would be entitled to a payment of only one third of the $675 or $225.
3. When the appropriations committee establishes the percent at which the B's will be paid, that percentage now relates to the $225 not the $1,350 base nor the $675 intended under the original law.
4. To say that the B's are paid at a range from 60% to 10% of their entitlement means, therefore, that a payment will range from $135 to $22.

The parents of B children also make a severe impact on the ability to generate revenue from many of the six sources mentioned. It is unfortunate that the opponents of Impact Aid - more specifically those opposed to category B students, cannot separate the burden caused by parents who have an adverse affect on all six revenue sources and those who have an adverse affect on only some of the six.

The parents of the b children (in most cases) do pay property taxes on their homes. The fact that they do not generate revenue from the buildings in which they work; do not generate sales tax revenue on commodities purchased on the base; do not generate (in many cases) income tax due to home based residency in other tax free states, and in many cases do not generate revenue from vehicle licenses and fees, IS CONTINUALLY AND COMPLETELY IGNORED BY CRITICS OF CATEGORY B.

Without a balance of the six revenue sources a school district must:

1. Reduce services to all children,
2. Raise taxes on permanent residents,
3. Charge tuition to those "non-residents", or
4. Be reimbursed for services rendered.

It is item four which drives Public Law 81-874, Impact Aid. It is the intent of the of the Congress to reimburse each school district for services rendered to its Federally connected children.

Some of these children are being educated on Indian lands, some live in Federally owned Low Rent Housing projects, some are from Military families and some are from civilian support families.

They are, all in one way or another, Federally Connected children with parents who live on or work on non-taxable Federal property.

Without the ability to collect the taxes which we have discussed, it becomes the Federal government's obligation to reimburse local school districts for the missing revenue. Impact Aid is a simple "Block Grant" reimbursement in lieu of taxes - flowing directly from the Federal government to the Public Schools - with no strings attached. Since 1981 Impact Aid has suffered a 50% cut. If the government is going to meet its obligation to the basic education of its Federally connected children, then FY'86 cuts which would reduce a $22 reimbursement toward a $3,000 education is unconscionable.

I appreciate your attention and sincerely offer my assistance in your future deliberations.

ACTUAL DATA FROM ANNE ARUNDEL COUNTY, MARYLAND.
COURTESY: COUNTY BUDGET OFFICE

## I. Per Pupil Cost

The FY'85 Per Pupil Cost = $3,225

| | |
|---|---|
| State Aid (32% of PPC) | $1,045 |
| Federal Aid (5% of PPC) | 140 |
| L.C.R. (63% of PPC) | 2,040 |

## II. Tax Generation

Average Residential Tax = $ 850
Local Share of State Income Tax = 500
Total Average Ability = 1,350

| | |
|---|---|
| LCR Needed (From Item I) | $2,040 |
| Local Ability (Above) | 1,350 |
| Shortfall | 690 |

$ 690 x 60,000 Children = $42,000,000 to be generated from revenue sources other than residential property tax. (ie: business/industry)

Total Real and Personal Property Generated from Business and Industry = $30,000,000

| | |
|---|---|
| Other Reveune Needed: | $42,000,000 |
| Other Reveune Generated: | -30,000,000 |
| Shortfall | 12,000,000 |

## III. Impact Aid Revenue

Regular A Payments @ $822 (2,567)
Regular B Payments @ $ 37 (9,690)
Total Impact Aid Revenue $2,468,604

## IV. Insufficient Reveune

| | | |
|---|---|---|
| Shortfall | $12,000,000 | (from item II) |
| Imapct Aid | -2,468,604 | (from item III) |
| | 9,531,396 | (to be prorated among other citizens through other forms of taxation.) |

## V. Conclusions

1. Based on averages, a family with one child creates an ungenerated tax obligation of $690.00.
2. An average family with 2.5 children creates an ungenerated tax obligation of $5,527 per household.

## Historic Perspective
## Impact Aid Payments

| Sample Category | 1981 % of Entl. | 1981 Payment | 1982 % of Entl. | 1982 Payment | 1983 % of Entl. | 1983 Payment | 1984 % of Entl. | 1984 Payment | 1985 % of Entl. | 1985 Payment |
|---|---|---|---|---|---|---|---|---|---|---|
| Super A 3(a)2 | 95% | $911 | 86.4% of FY'81 LCR | $828 | 95% of FY'81 LCR | $911 | 100% of FY'84 LCR | $1320 | 100% of FY'85 LCR | $1430 |
| Reg. A 3(a)2 | 85.5% | $819 | 86.4% of FY'81 LCR | $828 | 90% of FY'81 LCR | $863 | 40% of FY'84 LCR | $528 | 42% of FY'85 LCR | $600 |
| Super B 3(b)3 | 38.4% | $368 | 72.0% of FY'81 | $265 | 72.3% of FY'82 | $191 | 50% of FY'84 B Entl. | $110 | 60% of FY'85 B Entl. | $143 |
| Reg. B 3(b)3 | 38.4% | $368 | 26.0% of FY'81 | $249 | 72.3% of FY'82 | $180 | 7% of FY'84 B Entl. | $15 | 10% of FY'85 B Entl. | $23 |

[--------------------CONTINUING RESOLUTION---------------------]

FY'81 LCR = 1/2 National Average Per Pupil Cost for 1979-1980 = $959
FY'84 LCR = 1/2 National Average Per Pupil Cost for 1982-1983 = $1320
FY'85 LCR = 1/2 National Average Per Pupil Cost for 1983-1984 = $1430

Note: B entitlement = 16.67 of LCR (i.e. 1/3 of 1/2 of the LCR)

### Funding History of Elementary and Secondary Education Programs FY '80 to FY '86

| | FY '80 | FY '81 | FY '82 | FY '83 | FY '84 | FY '85 | Request FY '86 | Change FY '85-86 | Change FY '80-86 |
|---|---|---|---|---|---|---|---|---|---|
| **Impact Aid** | 755.0 | 681.8 | 456.2 | 540.2 | 585 | 695 | 543 | -152 | -212.0 |

## STATEMENT OF GREGORY A. HUMPHREY, DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF TEACHERS, AFL-CIO

I would first like to express my appreciation for this opportunity to submit a statement of the American Federation of Teachers (AFT) recommendations for FY 1986 education appropriations. I would also like to commend the subcommittee for its efforts to assist education institutions in improving the quality of American education.

It has often been said, and we firmly believe, that education is an investment in the country's future. In the long run, lack of educational opportunity is far more costly to our society than the expense of providing opportunity. Yet, under the Reagan administration, the federal investment in education has dropped 20% in real dollars. Education has suffered disproportionately in the effort to reduce federal deficits. Between FY 1980 and FY 1985 education shrunk from 2.4% to only 1.7% of total federal budget outlays.

The AFT rejects shortsighted attempts to undercut or eliminate vital education programs and urges the subcommittee to continue its strong support of the federal role in education. The AFT requests that insofar as the law allows, no education programs be funded at less than their 1985 appropriation levels. In addition, the AFT requests that programs serving the disadvantaged, and selected other programs, receive funding increases.

**Chapter I** is a program of demonstrated effectiveness in improving the academic performance of low-achieving students. Funds from the program are targeted well on poor areas and do not supplant state or local resources. However, due to inadequate funding, participation declined by 700,000 students between the school years 1979 and 1980 and 1982 and 1983. During this period there was an associated loss of 38,000 Chapter I teachers and teacher aides. This trend must be reversed! The AFT requests an appropriation of $4 billion for Chapter I in FY 1986 to begin the process of restoration.

**Chapter II Block Grants** provide valuable resources to school districts for a wide variety of services. The AFT requests continued funding at no less than the 1985 appropriation level of $532 million.

**Education of the Handicapped,** P.L. 94-142, imposes federal mandates upon local schools. Nearly all educators agree that special services for the handicapped are right and necessary yet, the federal rate of participation in funding handicapped education has slipped from approximately 12% in the 1970's to only about 8% in

1985. The AFT requests an appropriation of $1.5 billion, the amount necessary to raise the federal participation rate to 12%.

**Impact Aid** provides important assistance to school districts as compensation for the tax exempt status of federal land. In some school districts Impact Aid funds cover only 10% of the educational expenses of certain federally-connected students. The AFT requests continued funding at no less than the 1985 appropriation level.

Testimony before Congress has revealed that some **Vocational Education Programs** have been reduced or eliminated due to real-dollar losses in federal funding. In addition, many Vocational Education Programs now face further losses due to the redistribution of funds implicit in the new authorizing legislation. The AFT requests an increase of $100 million over the 1985 appropriation level for Vocational Education to offset such losses.

**Bilingual Education** serves students who historically have high dropout rates and low levels of educational attainment. However, due to a loss of funding in real dollars, the number of students served has declined by more than 40,000 since 1980. The AFT requests in FY 1986 a funding level of $150 million to provide an adjustment for inflation. The AFT also requests funding of $40 million for **Immigrant Education.** Students in this latter category are generally more severely disadvantaged than any other group in compensatory education.

**The Magnet Schools Program** encourages voluntary remedies to the problem of minority segregation and discrimination. Research has shown that the Magnet Schools approach is an effective one. The AFT requests a continued, maximum appropriation for this program.

The last Congress enacted two new programs that are relatively small in funding levels, but large in their promise to demonstrate effective ways of recruiting talented youth into teaching and to encourage innovative teachers. The AFT requests an appropriation of $1 million and $20 million respectively for the **Talented Teacher Act** and **The Carl D. Perkins Scholarships.**

In the realm of higher education, **Pell Grants** are the basic program providing opportunity for disadvantaged students and this program deserves maximum support. An increase in appropriations of $100 million for FY 1986 would allow the program to maintain the current level of assistance in real dollars. The AFT requests an appropriation which provides this adjustment for inflation.

The AFT also requests an increased appropriation of $96 million for **The National**

**Direct Student Loan Program** and an increase of $27 million for **Supplemental Educational Opportunity Grants,** both made necessary by an increase of Pell Grants to more than $2,100. For **College Work Study** the AFT requests an increase of $33 million, to $625 million. For **Guaranteed Student Loans** the AFT urges the subcommittee to fully fund the program, notwithstanding some proposals to reduce the authorizing legislation.

Finally, the AFT asks the subcommittee to appropriate $500,000 for **The Summit Conference on Education,** and an amount of $2.9 million as **Assistance for the Virgin Islands.** We believe the Summit Conference will provide a valuable forum for addressing problems in education; the suggested amount for the Virgin Islands would adjust for inflation.

Thank you for the opportunity to express our views. If you have any questions, please let me know.

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## Letter From Verna H. Salabye, Chairperson, Governing Board of Chinle Unified School District No. 24

May 21, 1985

Senator Lowell P. Weicker, Jr., Chairman
Senate Committee on Appropriations, Subcommittee
of Labor, Health and Human Services,
Education, and Related Agencies
131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

Enclosed herewith is Chinle Unified School District's written testimony with regard to the fiscal year 1986 Department of Education budget request concerning Impact Aid under P.L. 81-874, and School Construction under P.L. 81-815.

We are requesting that this Subcommittee block the President's proposed plan to change the Local Contribution Rate in P.L. 81-874, which if passed will create severe problems within our school budget. We are also requesting that you support our efforts to restore funding for School Contruction P.L. 81-815.

Let me thank you in advance for offering this opportunity to express these concerns. I am sure that all of us share the common goal of providing the best educational programs and opportunities that we can for our children.

Respectfully submitted,

Verna H. Salabye, Chairperson
Governing Board of Chinle
Unified School District No. 24

## STATEMENT OF VERNA H. SALABYE

Mr. Chairman and members of the Subcommittee, I thank you for the opportunity to provide written testimony on Impact Aid under P.L. 81-874 and School Construction under P.L. 81-815. The Chinle Unified School District present its views on the President's proposed changes in the "Local Contribution Rate" regulation (See, 49 Fed. Reg. 31628 August 7, 1984) which determines the amount of the "Base" Impact Aid payment school districts receive, and School Construction funds under P.L. 81-815 for which the President has a zero budget in FY 1986.

We begin with the proposed changes in the Local Contribution Rate (LCR) under Impact Aid P.L. 81-874, which shows a shocking disregard for the higher costs of educating Indian and special education (handicapped) children on Indian reservations.

### BACKGROUND

The LCR regulation determines the amount of the Impact Aid school districts receive. The LCR regulations also determines how much Indian add on Impact Aid and special education add-on Impact Aid is given to the school districts. The Federal Government gives the two add-on Impact Aid payments on top of the base Impact Aid payment in order to meet the higher costs of educating Indian and special education children. The Indian add-on is 25% of the base and the special education add on is 50% of the base.

Changes Proposed in the Local Contribution Rate: In assessing the effect of the proposed changes in the LCR on the Chinle Unified School District; first, it would reduce drastically the amount of the base Impact Aid payments for our school district and for many Arizona school districts. Secondly, this new regulation would also reduce drastically the amount of the add-on Impact Aid payments, both in terms Indian add-on and special education add-on.

In Arizona, the base Impact Aid payments has two primary uses. The base is used to fill in the difference between the amount of Maintenance and Operation (M & O) money given by the state and the school district's M and O spending limit (technically, the Revenue Control Limit). Generally speaking, there is some base Impact Aid left over after state revenues are supplemented in this manner. The extra base money can be used for capital purposes (buildings, equipment, etc.) but, because the revenue control limit has already been reached, it cannot be used for educational programs and personnel.

A reduction in the amount of the base Impact Aid payment would reduce the amount of money available for much-needed capital improvements. If the reduction were big enough, a tax-poor district such as Chinle might be unable to fill in the difference between their M and O revenue control limit and state M and O assistance. This would affect educational programs and personnel as well as building construction and equipment acquisition.

Similarly, a reduction in add-on Impact Aid would strike directly at M and O funded educational programs and personnel. For Arizona Impacted Schools, the add-ons have raised the M and O spending limit above what it would otherwise be. There is a close connection between add-on payments and M and O spending capacity which is unique to Arizona. This has meant anywhere from $300,000 to $1,300,000 in increased spending capacity for Arizona Impacted Schools, depending upon their enrollment of eligible students.

In the case of Chinle, during FY 83/84 the total Impact Aid entitlement was $5,334,464 (this includes the base payment plus the add-ons). The total add-ons Chinle received in FY 83/84 was $1,159,062. Using these figures as examples and if this new proposed change in the LCR were applied, the total net loss to Chinle would be approximately $506,774, or a 9.5% loss in our total Impact Aid entitlement. Such a loss of funds from our budget, coupled with further cuts being considered for FY 86 in the President's budget (such as Johnson O'Malley), will have definite negative effects on our program. We stand to lose our ability to maintain the certification standards set by our accrediting agencies, especially in academic and elective course offerings and in special education and supportive services. Just as critically, we would be severely limited in our ability to provide resources for innovative programs and for special initiatives to foster excellence. We are further compromised in our efforts to meet your standards as a Committee of Congress, as well as to meet the cherished expectations of the parents of our community.

In light of the recent national focus on the quality of American education, and considering the special needs of reservation public schools serving Indian children, we find it incredible that such sharp funding reductions to Indian education operations are even being considered. The resources being made available, particularly for reservation public school systems who have virtually no tax base to generate revenues from, fall short of the level needed not only to maintain present minimal programs, but more importantly, to meet the challenge of excellence.

## IMPACT ON CHINLE UNIFIED SCHOOL DISTRICT

We feel that we have one of the finest vocational education programs (grades 9-12; 956 students) in Arizona, and we have results to show it. For instance, this year with the add-on funds it was possible for the Chinle High School to hold a Science Fair and a vocational career day. Also included in the program are specialized courses to prepare students for meaningful, productive careers or to continue in institutions of higher learning. One student won a Gold Medal in the Arizona State-Wide Vocational VICA Skills Olympic contest, and ten other students won contests for skills performed in competition. A partial list of other accomplishments that were made possible through the add-on funds include:

**Navajo Curriculum Development Materials:** (Grades K-12; 2,600 students) initiated a materials development and curriculum planning project to provide additional help for students with academic and/or behavioral needs.

**Gifted and Special Education Education Program:** (Grades K-12; 200 students) established a gifted education program which is unique to Public Schools on the Navajo Reservation. Efforts for gifted and talented Indian children have been very fragmented and lag far behind state policies regarding the education of such children. For this project the add-ons enabled our district to fund: 1) enrichment and supplemental programs offered during the student's regular school daywith advanced instructional materials provided directly to the student; 2) resource rooms specifically for gifted and talented students, staffed by a certified teacher to work with the students; 3) part-time classes; and 4) enrollment in advanced classes for these students instead of having gifted and talented students in regular classes.

Additionally, the State's system for distributing annual funding for special education is terrible for school programs to work with. The "count-week" method of certifying special education student enrollment works against planning for special recruitment drives and weakens programs stability. The problem is that our district gets caught in the course of the year with transfer enrollment for which there is no budget. The add-ons, in this instance, have provided stability to initiate programs and to cover costs until the state funds are received.

**Pre-Kindergarten Screening Program:** (Grades K; 300 students) conducts a district-wide pre-screening and identification of kindergarten pupils for the coming year. Our district covers a very large geographical area with many families living in isolated, hard to reach locations and the costs are high for travel and time.

__Facilities Operations and Management:__ (6 school campuses, grades K 12; 2,600 students) our current level of operations and maintenance funding is totally inadequate in relation to our needs. Utility costs have skyrocketed while our M & O funding level has decreased. One-quarter (1/4) of our budget goes toward paying the utilities bill--and even that outlay falls short of the actual costs, which we must cover any which we can. During the early 1970's the Chinle School District faced bankruptcy and stills suffers the consequences of that period. Maintenance needs of the district were necessarily ignored and we now face mandatory expenditures of major proportions to make presently substandard facilities safe for students and attractive enough to be conducive to learning. As our educational dollars continue to shrink, and if these reductions in our add-ons become reality, we stand to be deprived of highly valued and essential programs.

In retrospect, a reduction in the amount of the base Impact Aid payment and the subsequent reduction in our add-ons would place severe strains on our ability to provide even basic instructional programs.

## SCHOOL CONSTRUCTION UNDER P.L. 81-815

We are concerned that the President apparently fails to recognize the ongoing nature of the facilities construction needs for Impacted public school districts on Indian reservations. No new funds are sought for public school construction under P.L. 81-815. Yet there is a critical need within our district for new construction.

Our school district is wholly within the boundaries of the Navajo Reservation. We are faced with the problem of providing quality education in some facilities that are far below the standards needed to provide a safe and pleasant instructional environment. We have a student body of over 2,600. Chinle High School, which was constructed in 1963 for 315, this year it has enrolled 956 students. In its present condition the high school is inadequate in many respects. It must rely on temporary portable structures which are very inadequate and unsafe, expensive to heat in the winter, and subject to heavy maintenance costs. Chinle Junior High School was constructed in 1968 with a capacity of 420. This year it has enrolled 441 students. Chinle Elementary and Chinle Primary are currently housed in the Chinle Elementary, utilizing split sessions. Chinle Primary (714 pupils) were housed in facilities leased from the Bureauof Indian Affairs, but was condemned in November 1984 as unsafe due to shifting ground, boiler and gas line hazards and structural instability. At times during the day in Chinle Elementary, there are over 1,200 students in a school built for 400 students. The safety of this, in case of a fire, is extremely questionable. The following table indicates the status of our facilities:

| Facility | Date Constructed | Capacity | Enrollment 1984-85 | Four Year Estimate Projection* |
|---|---|---|---|---|
| Chinle High School (9-12) | 1963 | 315 | 956 | 1500 |
| Chinle Jr. High (7-8) | 1968 | 392 | 441 | 828 |
| Chinle Elementary (4-6) | 1958 | 370 | 410 | 920 |
| Chinle Primary (K-3) | (Facility condemned and boarded up. 714 pupils are temporarily housed on split sessions at Chinle Elementary.) | | | |
| Tsaile Elem./Jr. High (K-8) | 1980 | 430 | 357 | 610 |
| Many Farms Elem. (K-6) | 1965 | 308 | 426 | 700 |
| | | | 2590 | 1558 |

*Projections are based on information received from Indian Health Services, Navajo Tribe's Census Office, Navajo Housing Authority, and the Bureau of Indian Affairs' Employment Office.

This example of the Chinle Unified School District states the case as clearly as any. There is an urgent need for public school construction funds under P.L. 81-815. We urge Congress to restore funding in this category, particularly funding to relieve the critical facilities conditions in the Chinle School District.

Teacher housing is also one of the costs unique to our district. Since private ownership of land or houses is not available, the school district must provide housing. Presently, nearly all of the teacher housing is in the form of trailers which have suffered the same forced lack of maintenance. Approximately 60% of the trailers are critically substandard and need to be replaced. The need for adequate housing has direct relationship to our ability to recruit quality staff, and thus impacts the quality of classroom instruction.

## CONCLUSION

The Chinle Public Schools operate under many handicaps if measured in terms of the average public school district in Arizona. The most important of these are as follows:

1. The wealth in terms of assessed valuation per pupil is $1,468, one of the lowest, if not the lowest, in the State of Arizona.
2. The remote areas served makes it necessary to operate a fleet of 81 school buses that run approximately a half-million miles each year, thus using valuable funds just to transport children to and from school.
3. The roads conditions on the reservation have been improving rapidly, but

the vast majority of roads travelled by school buses are unimproved roads that become impassable in bad weather.

4. There is no housing available for teachers except that provided by the School District, thus the District must operate a sizeable housing project in order to accomodate approximately 350 teachers and other professional employees.

5. The severe winters require added operational costs from the standpoint of both operation and maintenance. The added fuel that must be purchased (when it is available) increases operational costs as well as does the cost of operating a fleet of buses during inclement weather. The added maintenance costs come from frozen pipes, added repairs for buses, excessive mud being ground into the floors, etc.

6. The remoteness of the District makes it difficult to obtain supplies, equipment and repair services at reasonable prices. The additional costs required in building projects, the added costs of labor because of remoteness and the added costs of transporting building materials to the sites, makes building costs run about thirty percent (30%) above comparable costs for most school districts in Arizona.

7. The remoteness of the District from a large city makes it difficult to employ personnel who might otherwise be available. This also creates a huge turnover in staff each year.

In short, for these and other reasons too numerous to list, we urge members of this Subcommittee to block the President's plan to enact the proposed changes in the Local Contribution Rate under P.L. 81-874 that will reduce significantly the amount of Impact Aid payments to many school districts in Arizona and the rest of the nation, and to request restoration of funds in the FY 86 Budget for School Construction under P.L. 81-815.

## STATEMENT OF DR. PATRICK J. McDONOUGH, EXECUTIVE DIRECTOR, AMERICAN ASSOCIATION FOR COUNSELING AND DEVELOPMENT

Mr. Chairman and distinguished members of the U.S. Senate Committee on Appropriations. My name is Patrick J. McDonough, and I am the Executive Director of the American Association for Counseling and Development.

AACD is a national professional organization representing more than 44,000 counseling and human development specialists. Our members work in elementary, secondary, vocational and higher education settings, mental health agencies, rehabilitation agencies, government, business and industry and private practice settings. The 12 national divisions, two organizational affiliates and 56 state branches of AACD span every subdiscipline within the counseling profession and every geographical area of the United States.

AACD wishes to preface this written testimony by first thanking the members of the Committee on Appropriations for affording the association an opportunity to present our concerns on a number of federal appropriations issues. The following testimony outlines our specific concerns relative to elementary and secondary education, vocational education, higher education, mental health, rehabilitation, and employment/training areas and sets forth numerous recommendations relative to funding these programs:

### A. Elementary and Secondary Education

We strongly urge the Committee to reject the spending freeze and program elimination in the areas of education which have been proposed by the Reagan Administration in Fiscal Year 1986. While we understand the necessity of reducing the federal budget deficit, we appeal to the common sense and compassion of the Committee as it deliberates the justification of elementary and secondary educational funding.

Guidance and counseling is an integral component of every aspect of education, both from a developmental perspective and for the special needs of certain "at risk" or unique populations. School guidance and counseling programs are integral to the quest for educational excellence and federal attention must be directed toward research, model development and staff development support for professional counseling programs and the personnel who work in these areas.

The Reagan Administration's proposed combination of freezes and program terminations of various elementary and secondary school programs would severely impact on those least able to recover from the loss of services. For example, the Reagan Administration proposes to slash $41 million from education programs for the disadvantaged children of this nation (Education Consolidation and Improvement Act, Chapter 1, Part A, Subtitle D, Title V, P.L. 97-35). The 4.6 million students who receive Chapter 1 (Part A) assistance, gain needed services through guidance, reading instruction, nutrition, speech therapy and limited English instruction. Although the Chapter 1 (Part A) programs have been recognized for their accomplishments, the unfortunate reality is that less than half of all eligible youth are actually receiving services.

Mr. Chairman, Congress has consistently realized the importance of the projects provided for by the Women's Educational Equity Act. Guidance and counseling has been an important aspect of those WEEA programs which were designed to eliminate the barriers women and girls have traditionally encountered in education. We find the Reagan Administration proposal to eliminate all funding for WEAA programs antithetical to the basic principles of educational equity.

### B. Vocational Education

The Carl D. Perkins Vocational Education Act (P.L. 98-524) established new provisions in the federal mandate for vocational training. Our association worked closely with members of Congress, their staffs and federal agencies in ensuring that the Carl D. Perkins Vocational Educational Act would continue to encompass a strong federal commitment to vocational education, including a strong career guidance and counseling dimension. P.L. 98-524 reflects these elements.

Our members have a great interest in Title III, Part D, of the new law, the component entitled "Comprehensive Career Guidance and Counseling." We believe that Title III, Part D, services can provide the counseling needed by youth and adults as they bridge the gap between school and work or as they retrain in order to re-enter the labor force. AACD was dismayed to learn that the Administration budget proposals have ignored the funding of Title III, Part D, and urge the Congress to appropriate funds to the full authorized level. In addition to our interest in Title III, Part D, we feel that Title III, Part B (Consumer and Homemaking Education), is especially critical due to the increasing number of women re-entering the job market.

The Reagan Administration proposal to freeze vocational education at $742.1 million is far short of the $949.7 million needed to fund P.L. 98-524 as envisioned during congressional debate during the 98th Congress. Further, the Reagan Administration proposals would damage state and local programs. Vocational education counselors feel strongly that the Carl D. Perkins Vocational Education Act is a positive move toward the effective and efficient use of federal funds in the training and retraining of youth and adults.

### C. Higher Education and Student Assistance

Our perspective as student service counselors, administrative deans, financial aid officers and college professors allow us to fully comprehend the importance of federal support in higher education, and we are very concerned about the Reagan Administration proposal to slash postsecondary education funding by 25 percent or $2.3 billion.

The majority of the Reagan Administration cuts in higher education are from student financial aid. Our country's historically bipartisan investment in higher education will realize a severe setback should the President's proposal be enacted. Previously, when young adults sought to better themselves through pursuing higher education, our country favorably responded to those who were in need. However, the Reagan Administration proposals would eliminate more than one million current Guaranteed Student Loan borrowers, remove more than 800,000 middle income students from Pell Grant eligibility and eliminate 380,000 students from participation in programs for the disadvantaged.

In a related matter, our members believe that the improvement and extension of student service programs in higher education, basic research into learning and student development and the upgrading of counseling and related student service personnel must receive fiscal and program attention in this and future federal budgets.

### D. Mental Health

Alcohol, Drug Abuse and Mental Health Administration budget includes funding for the National Institute of Mental Health, which supports research to improve, treat and prevent mental illness. The information found through this basic research is used by mental health practitioners in their daily practice. Our association feels strongly that the current research conducted by the National Institute of Mental Health must be continued as well as the initiation of new research and dissemination efforts.

The National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism each contribute greatly to the understanding of the causes and the consequences of alcohol and drug abuse addiction. The institutes are contributing greatly to the development of prevention and treatment techniques. We feel it is vital to continue the expansion of our knowledge and skills in these areas.

The Alcohol, Drug Abuse and Mental Health (ADM) block grant was created in 1981 and reauthorized by Congress in 1984. The block grant provides financial assistance to communities for two areas: Substance abuse programs and community-based mental health services. Because of inflation, the reduction of federal funding for these areas reaches over 35 percent in real dollars. At the same time, the demand for these programs at their fully authorized level.

One of the most important areas in the ADAMHA/NIMH budget is clinical training. These dollars have been used in the past to provide training in a variety of areas for psychiatrists, psychologists, psychiatric nurses and social workers. Funding in these areas should be continued and must be expanded to include certified clinical mental health counselors.

## E. Rehabilitation

AACD is supportive of a substantive budget increase to continue programs in vocational rehabilitation and special education. Professional rehabilitation counselors have played a major role in programs aimed at handicapped and disabled persons of all ages. Their goal is to assist the disabled to become more independent, self-sufficient and become productive members of the labor force. Continued funding is essential at somewhat higher levels than Fiscal Year 1985 because vocational rehabilitation programs have suffered from inflation and are faced with growing numbers of severely handicapped people to serve.

The training of rehabilitation professionals has been underfunded for the past seven years with only a slight increase in Fiscal Year 1985. While this increase has helped, the need for more professionals is growing and becoming more critical. In addition, it should be noted that continuing education of rehabilitation personnel must be expanded to account for the latest techniques that have been developed over the past five years.

Attention must also be paid to the evaluation of programs in order that we understand the effectiveness of rehabilitation programs and their impact upon disabled citizens. This is essential in order that sound program planning can be effected.

AACD also supports increased funding for the National Institute of Handicapped Research. This program, though always underfunded, is extremely important in the rehabilitation of disabled people especially with the potential benefits that can come from advanced technology.

### F. Employment/Training

Employment training programs provide significant benefits to the American economy. People who have been trained in programs such as the Job Training Partnership Act (JTPA) or in the Job Corps are able to leave the program and move into responsible and productive jobs in the business/industrial sector. Employment and career counseling specialists specialists recognize fully the impact of these federal employment and training programs, as they have assisted people enter, train and exit these programs to become a part of the work force. The initial investment the government has made in their training is then recovered in taxes and in the economy strengthened by skilled workers. AACD feels that it is vital to continue these programs at their current level, as they are a continuing investment in our economic future. Equally important is the need to ensure that present and future programs have a counseling and placement assistance dimension included as an integral service to the unemployed, underemployed and newly trained worker.

## SUMMARY OF THE AMERICAN ASSOCIATION FOR COUNSELING AND DEVELOPMENT FY '85 SUPPLEMENTALS AND FY '86 APPROPRIATION REQUESTS

A. FY '85 Supplementals --

1. P.L. 98-79, Pell Grants -- $819 million
2. P.L. 98-79, Guaranteed Student Loans -- $700 million

3. P.L. 98-524, Carl D. Perkins Vocational Education Act -- $100 million
4. P.L. 98-473, Child Abuse Prevention Programs -- $7 million

B. FY '86 Appropriations -- Education

1. P.L. 97-35, Chapter 1 (Part A) -- $3,880.0 million
2. P.L. 96-561, Women's Educational Equity Act -- $12 million
3. P.L. 98-524, Carl D. Perkins Vocational Education Act -- $949.7 million
4. P.L. 96-374, Special Programs for Students from Disadvantaged Backgrounds, TRIO programs -- $183.6 million

C. FY '86 Appropriations -- Mental Health

1. National Institute of Mental Health
   - a. Research -- $252.8 million
   - b. Research Training -- $24.1 million
   - c. Clinical Training -- $26.0 million
2. National Institute on Drug Abuse
   - a. Research -- $79.6 million
   - b. Research Training -- $1.6 million
   - c. Clinical Training -- $1.0 million
3. National Institute on Alcohol Abuse and Alcoholism
   - a. Research -- $68.7 million
   - b. Research Training -- $2.7 million
   - c. Clinical Training -- $1.0 million
4. ADAMHA Block Grant -- $545.0 million

D. FY '86 Appropriations -- Rehabilitation

1. State Vocational Rehabilitation Grants -- $2,203.2 million
2. Evaluation (Section 14) -- $2.5 million
3. Training -- $31.0 million
4. National Institute for Handicapped Research -- $44.0 million
5. Projects with Industry -- $15.2 million

E. FY '86 Appropriations -- Employment/Training

1. Employment and Training Administration -- $70.2 million
2. Employment and Training (includes JTPA and Job Corps) -- $3,908.0 million
3. Employment Services -- $24.6 million
4. WIN -- $278.5 million

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## STATEMENT OF THE NATIONAL SCHOOL BOARDS ASSOCIATION

### INTRODUCTION

The National School Boards Association is pleased to submit this statement for the record to the Senate Subcommittee on Labor, Health and Human

Services, and Education. The National School Boards Association is the only major education organization representing school board members who govern the nation's public school districts. Throughout the nation, approximately 95,000 of these individuals are Association members. These people, in turn, are responsible for the education of more than 95 percent of the nation's public school children.

Currently marking its forty-sixth year of service, NSBA is a federation of state school board associations, with direct local school board affiliates, constituted to strengthen local lay control of education and to work for the improvement of education. Most of these school board members are elected public officials. Accordingly, they are politically accountable to their constituents for both education policy and fiscal management. As lay unsalaried individuals, school board members are in the rather unique position of being able to judge legislative programs purely from the standpoint of public education, without consideration to their personal professional interest.

## I. Overview

Since the budget framework for function 500 programs won't be known for some time, I am presenting NSBA's statement on appropriations, not so much from the standpoint of anticipating S. Con. Res. 32, but as a policy discussion of student needs in times of fiscal restraint.

Briefly, I would like to compare the downward trend in elementary and secondary funding with the unserved portion of the student populations targeted by federal programs. I would also like to make a few comments about the premises which underlie the Administration's budget request, since the dollar levels which they propose may surface in Congressional debates. Finally, I would like to address some of the specific programs.

## II. Funding Trends:

### Reduction in relative priority for subfunction 501 over the last six budgets

Turning to budgetary trends, there has been considerable discussion over freezing federal spending. I would like to place the concept of a freeze in a longer term perspective.

In FY 1980, total federal budget authority was $659 billion. This year, Budget Authority, as proposed by the Administration, will be $1.06 trillion — or an increase of 34% over the 1980 base. Cumulatively over the past six budget years, Federal Budget Authority (B.A.) will be about $1.5 trillion over a six year freeze level. For the same time period, B.A. for elementary and secondary programs will increase from $7.225 billion in FY 1980 to $7.481 billion — or by only 3.4% over the 1980 base — if the President's budget is adopted. More strikingly, if the President's budget is adopted, the amount of B.A. created for elementary and secondary programs will be $904 million under the amount that would have been available if our programs were simply frozen for six years — even though total federal funding increased by $1.5 trillion.

As a result, the portion of the federal budget commited to elementary and secondary education programs has shrunk from 1.1% to .7 of 1% over the last five budgets. For the purposes of perspective, a 10% increase to elementary and secondary programs, as important as it would be to the education of American youth, would have a seven one hundreths of a one percent impact on federal spending.

We greatly appreciate the efforts made by this Subcommittee to fund programs at their full "reconciliation" levels, and only make these budget comparisons to demonstrate that in terms of restraining spending, education has more than paid its "fair share", and has, in fact, been funded below a freeze level for these past five years. Further, we hope the Subcommittee can agree that the connection between reduced appropriations in education and solving the deficit situation is tenuous at best, even in a symbolic manner. To the contrary, we believe there is a compelling connection between supporting federal programs and the longer term economic well being of the nation.

## III. Flaws in the Administration's Budget Request

The Administration's budget proposal seeks to deal with funding of special populations and educational quality in a "shell game" fashion. For example, the President's budget request proposes to reduce Chapter I migrant assistance by $41 million, on the grounds that students who live in an area for more than three years are no longer migrants. But, they are still children in need of services. From where are the services going to come? If the basic local Chapter I grant program were given a cost of living reduction through level funding, current services will decline. Certainly, under those circumstances can the program be expected to absorb the impact of unserved migrant students, without dropping services for other students?

Likewise, the Administration states that, by recommending a $9 million increase to Part A funding under the Bilingual Education Act, the resulting 10% increase will serve 10% increase more children — at equal service levels. Meanwhile, they propose that Bilingual Education Act funding can also help cover the service needs of those children who would have been served by the $30 million Emergency Immigrant Education programs — which the Administration now proposes to terminate.

Similarly, in addition to meeting priorities currently served under Chapter 2 and the Science and Mathematics program, the Administration identifies these two programs — at the proposed freeze level — as a resource to absorb the impact of its proposals to terminate the $30 million Emergency Immigrant Education program and the $75 million Magnet Schools Assistance program.

I mention these points only because, if the Administration's requests are taken seriously, their numbers should be scrutinized from the logic upon which they have been built.

## IV. Recouping Funding Cuts in Specific Programs

### a. Chapter I

Chapter I has been an enormously effective program in terms of both increasing educational achievement and targeting services to those students most in need. It is estimated that 4.6 million children currently participate in local programs under Part A. This compares to nearly 9 million children counted for formula purposes. It is estimated that 700,000 fewer students are served today than the number served just a few years ago.* Yet, despite the effectiveness of the program and the large numbers of unserved children, the Administration's request to level fund Chapter I will worsen the 16% decline in services suffered by the program over the past four years.

Further, even though fewer children are being served by Chapter I, the dollars supporting the remaining number of participants in relation to educational expenditures in general, has also declined. For example, compared to 1979, (when 5.2 million Chapter I children were served) today's average per pupil expendiure for all students has risen by more than 50% — although the Chapter I dollars spent for 4.6 million participating children will rise by only 22% over the same time period, if the Administration's FY 1986 request is adopted.

As a national priority, we find 700,000 fewer students being served by a significantly smaller financial effort per child. This trend must be reversed. Accordingly, we would urge the Subcommittee to appropriate at least an additonal $300 million to cover the cost of current services for this program, and for a modest step toward reaching previous participation rates.

### b. P.L. 94-142 - Education for all Handicapped Children Act

Over recent years, no area of student costs has grown as much as special education. Currently, there are over 4 million children and youth, ages 3 to 21, who are receiving special education and related services. When P.L. 94-142 was enacted in 1975, a compact was established whereby Congress agreed to authorize federal expenditures to assist local school districts by absorbing 40% of the excess costs of fulfilling this federal mandate. While federal funding for this program has grown in dollar levels, the portion of excess costs derived from federal funding will further diminish from 12% (the level of the 1970's) to what would be a level of slightly over 7%, if the President's budget freeze is accepted.

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* Figures provided by House Committee on Education and Labor.

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Local school boards believe that this trend to disengage the federal obligation must end. NSBA strongly urges the Subcommittee to reach beyond current services, and provide a level of funding that moves toward the 12% excess cost contribution, which was made just a few years ago. Accordingly, we urge that at least an additional $200 million be appropriated for this program.

c. Other Programs for Special Populations

The Administration is requesting $139 million for the Bilingual Education Act, which is a freeze at last year's level and is $27 million under the FY 1980 level. Given 3.6 million limited English proficient students in the United States, we believe that the federal role should extend itself to meet this rising national concern by fully funding the program at $174 million.

The Administration is proposing to terminate the magnet school and Immigrant Education Act programs. The magnet school program was designed to provide quality programs for school districts undergoing the desegregation process. We urge that the program be fully funded at $75 million, which is less than one third the level appropriated in FY 1980. Similarly, as a result of national policy, U.S. Supreme Court decisions, and most importantly — need —, districts are experiencing a high influx of students from across our federal borders. Many of these school systems are already too poor to finance high quality programs. The Emergency Immigration Education program should be continued at least at the $30 million level.

In the case of all these special need programs, it would be terribly short sighted not to provide adequate funds now, rather than to leave to the next generation, the human and financial costs associated with the failure, today, to provide special services.

d. The Quality Programs

The federal government provides several programs aimed at improving or maintaining the quality of education programs. I would like to highlight three such programs.

a) ECIA, Chapter 2

Chapter 2 of ECIA is targeted to building more effective school programs. NSBA appreciates the efforts made by Chairman Natcher, Representative Obey, and other members of the Subcommittee to seek a $250 million increase for this program last year. Further, we appreciate the efforts of the Subcommittee to add language to the appropriations bill to ensure an even more effective use of these funds by limiting that portion of the 20% set-aside that can be ultilized for general state administration. While that language did not prevail in conference, we believe that the inclusion of Conference Report language to study various aspects of this concern — with recommendation for corrective steps — will further maximize the innovative benefits derived from these funds. In FY 1986, we urge the Subcommittee to move closer to its goal of last year — which would have raised funding to the $736 million level (i.e., almost the amount which was appropriated for the antecedent programs in FY 1980). To achieve FY 1980 funding levels would require an additional $125 million in state grants (assuming that $75 million is also appropriated for magnet schools).

b) Perkins Vocational Education Act

Last year Congress restructured the federal vocational programs by expanding the range of institutional recipients eligible for funding. The program also provides a carefully constructed range of services for target populations (disadvantaged and handicapped youth) to be balanced with innovative programs for youth in general. To operate properly, this program was intended to be funded at its authorized level of $940 million. At current funding levels, because of reauthorizations changes in developing a broader balance of services, funds available to secondary schools could be as much as $100 million less than the levels of previous years. We urge that the program be fully funded at $940 million.

c) Impact Aid

The Impact Aid program was established to reimburse local school districts for the double impact of land removed from the tax rolls and new students brought into the area when the federal government establishes its business--

typically a military base — in the locality. The Administration proposes to totally eliminate funding for those students whose parents either work or live on federal property. Even though military personnel who live "off base" pay real property taxes on their residences, the business which employs them does not. Further, military personnel are exempt from many local taxes which directly or indirectly reduce the amount of funds available for educating children. Generally, military personnel can avoid sales taxes, licensing taxes, and income taxes. Accordingly, we urge the Subcommittee to reject the Administration's request to eliminate "3 b" payments. Even then funding levels for the program would still be $60 million under its FY 1979 levels.

## Conclusion

As locally elected and appointed officials, we believe the nation truly supports a higher priority for education. In view of the vital role performed by federally funded services, we urge the Subcommittee to consider that national support in determining appropriations for FY 1986. Certainly, we must bring to an end, the lowered priority which the Administration's budget request would urge upon you.

On behalf of the National School Boards Association, I wish to thank the Subcommittee for the opportunity to testify.

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## STATEMENTS OF THE NAVAJO NATION

### Proposed Bureau of Indian Affairs Education Budget

The Navajo Nation welcomes this opportunity to comment upon the budget proposed for the Bureau of Indian Affairs for education programs in Fiscal Year 1986. The area of greatest concern, upon which this testimony will focus, is the Johnson O'Malley Program. In addition, however, this testimony will touch upon concerns with the budget for School Operations within the BIA-funded education system and our general concern with the consequences of combined program freezes and program eliminations proposed for education programs.

### 1. The Johnson O'Malley Program

The Bureau of Indian Affairs recommends the elimination of this program. As will be discussed, this recommendation is unsound and is supported by inaccurate and misleading assertions in the BIA budget justification. Elimination of the Johnson O'Malley program appears to have been a last minute proposal. Earlier budget justification documents which the Bureau prepared included funding for the program at its current level. These earlier documents contained no allegations of problems or duplications within the program. On the contrary, they praised the effectiveness of the program stating:

> "This program is successful not only in meeting the special needs of students, but it also promotes cooperative relationships between Indian communities and school systems which serve to enhance parental involvement in the education of their children." Department of Interior, Budget Estimates, F.Y. 1986, earlier draft, page 49.

Now, however, the Bureau is recommending the program for elimination. Therefore, the current Budget Justification, Fiscal Year 1986, Congressional Submission has little good to say about the program. We are concerned both with the potential harm to the education of Indian children which would be caused by the elimination of the program and by the total misrepresentation to the Congress of the educational needs of Indian children contained in the Bureau's justification.

In its budget justification, the Bureau states that the Johnson O'Malley program duplicates other federal and state programs and that existing state and federal resources can meet the educational needs of these children. In support of this assertion, the Bureau misrepresents the capacity of other state and federal programs and the academic needs of Indian students. For example, the Bureau states:

> "(T)he Chapter I program... can provide several hundred dollars per year for each disadvantaged child in a school district." p. 53.

This statement is simply untrue. In preparing this testimony, the Navajo Division of Education interviewed Dr. Don Kearns, Arizona State

Director for Chapter I in the Arizona Department of Education. Dr. Kearns confirmed that Chapter I has never been able to meet the needs of all eligible students. Schools must prioritize among eligible students, meeting the most critical needs first. Thus many educationally disadvantaged children who are eligible for Chapter I services do not receive them.

The Bureau states:

> "Indian student achievement scores have increased significantly and are at their highest level in over a decade." p. 56

We do not have 10 year longitudinal studies of Indian student achievement scores in the files of the Navajo Division of Education. We do have data on recent test results, however. Regardless of how these scores may compare with the past ten years, they are cruelly unacceptable when compared with the achievement scores of non-Indian students. A report issued by the state of Arizona Department of Education in June of 1983 showed Native American students consistently scoring below all other ethnic groups in reading, grammar and math. For no grade did the average Native American score in reading rise higher than the 40th percentile (in fact every year after first grade was below the 40th percentile). In no grade did the grammar score average rise above the 38th percentile. Average math scores reached the 50th percentile only in first grade. Likewise, in New Mexico, in achievement testing conducted in the 1982-83 school year, American Indian students again scored lower than any other ethnic group in all areas tested. The New Mexico scores are available only for grades 3, 5 and 8. In the year cited, Native American third graders scored in the 28th percentile on the total battery of the CTBS. For grade 5, they scored in the 29th percentile. For grade 8, the 30th percentile.

Even if these scores do represent an improvement over past years, they do not indicate that Indian students are achieving at such acceptable levels that their special needs can now be ignored or minimized. Rather, the scores highlight how much remains to be done if Indian students are to have a real chance to enter the economic mainstream of American life.

The BIA budget justification states that the same types of services provided by the Johnson O'Malley program can be funded by Title IV, Chapter I, or Head Start. Even if this is theoretically true in regard to some categories of services, it is not pragmatically true because of the funding limitations within these other programs. A 1981 study by the General Accounting Office, HRD-810101, found that local coordination of programs prevented duplication between the JOM and the Title IV program. In those few cases where the GAO did find duplication, the report indicated that better local coordination could eliminate this problem. In the Navajo Nation's Johnson O'Malley program, our evaluation of JOM programs indicates that this local coordination is in fact taking place. Program funds from the various supplemental programs are used by our local school districts to complement each other, not to duplicate each other. Funds from one program help make up for the inadequacy of the funding level in the other programs. The General Accounting Office recognized this fact in its study stating:

> "Any merger or elimination proposal put forth with the intent of reducing funding levels should consider the impact such actions would have on other Federal remedial education programs. The Title I (now Chapter I) program, for example, is currently unable to completely serve its target population because of fiscal constraints." p. 7

Those fiscal constraints are more severe today than they were in 1981. The Navajo Division of Education has surveyed its 22 subcontractors regarding the ability of other programs to take up the JOM component of the school's program. The overwhelming response has been that the other supplemental programs utilized by the schools are in fact inadequate to serve their own target population or to adequately fund their own program needs.

The Bureau budget justification alleges that the Inspector General has conducted audits which have identified JOM funds expended for purposes other than meeting the unique educational needs of Indian students. As is the case in all the claims of adverse reports contained in the BIA justification, no citation is given to these reports. Therefore, it is not possible for the JOM programs to defend themselves in regard to the particulars of any charge. The experience of the Navajo Johnson O'Malley program, however, may be instructive.

In 1979 the Inspector General released a report of the first three years of operation of the Navajo Nation's Johnson O'Malley program. The report made fairly shocking allegations that over $1 million dollars of Johnson O'Malley funds had been spent for inappropriate purposes. The Navajo Tribe challenged the Inspector General's findings and was able to successfully demonstrate that almost all of the costs questioned by the Inspector General were in fact valid. In many cases the costs objected to by the Inspector General had been specifically authorized by the Bureau itself after extensive discussion and correspondence. Such costs which remained questionable (less than $40,000 for the three year period) were, by the Inspector General's own admission, largely attributable to the Bureau's total failure to provide adequate technical assistance to the Navajo Johnson O'Malley program during its first three critical years. All questioned sums which could not be justified were reimbursed in full. Since that time, the Navajo Johnson O'Malley program has tightened its financial accounting procedures and subjected itself to regular independent audits. Total questioned costs in these audits are extremely small and all questioned costs are rectified either by appropriate justification or by reimbursement.

If the Navajo experience with the Inspector General is at all typical, Congress would be well advised to seek corroboration of the accuracy of the Bureau's allegations of mismanagement from the JOM programs themselves before accepting such questionable documentation.

The Bureau budget justification also alleges that Johnson O'Malley program funds are not being used effectively. This is not the experience of the Navajo Nation. The Navajo Johnson O'Malley Program operates on a budget for fiscal year 1985 of approximately $4,742,828. The program provides funds to 22 subcontractors in Arizona, New Mexico and Utah. The program serves 36,345 public school students and 3,532 Head Start students. The uses to which the Johnson O'Malley funds are put vary. The priorities for each program are established by the local Indian Education Committee, an important process in bringing the local school and the Indian family together in our communities. The funds are put where the local IEC determines that they will do the most good.

Some JOM funds are providing remedial assistance to students with academic deficits (many of whom are not served by Chapter 1). In other cases the funds are used for a home-school laison officer, creating an important link between Navajo families and the schools. In some cases the funds provide "late bus transportation for students engaged in extra-curricular activities (an expense which district M&O revenues do not and cannot pick up). This service provides an incentive to high school students to become a part of the school community, an important part of efforts to combat school dropouts. In other cases JOM funds have paid the costs associated with particular courses, such as vocational shop courses. These costs can run as high as $50 per semester per course, beyond the means of many Navajo families. In other cases, JOM funds have provided eyeglasses that the Indian Health Service could not or would not provide. This expense is basic to allowing students to participate in their classes.

JOM funds are being used for counselling programs aimed at the special problems of Navajo students. They are being used to fund special programs for pregnant students and students who are single parents. They are being used for special vocational enrichment programs. JOM funds are being used to develop courses and materials in Navajo language and culture and courses in Native American literature. Despite the allegations of the Bureau that

> "Many community and tribal leaders said that Indian children do not have culturally-related academic needs that are different from those of non-Indian children",

the Navajo Nation, in education policies adopted by its Tribal Council, and approved by the Bureau of Indian Affairs, has declared that Navajo children definitely do have culturally-related academic needs. In many cases, local school districts are utilizing JOM funds to meet these needs at least in part.

In conclusion, the Johnson O'Malley Program is an important component of the education resources available to Navajo children and to all Indian children attending public schools. Elimination of the program is being sought simply to cut the BIA budget, without regard to the realities of the value of the program or the needs of the students involved. The Bureau's justification for eliminating the program contradicts the Bureau's own statements made scarcely a month prior to the introduction of the budget. These justifications are based on error and misleading statements about the educational situation of Indian children, the availability of other resources and the administration of the Johnson O'Malley program at the local and tribal level. In past years, Congress has had the wisdom to reject similar ill-conceived attacks on the Title IV program. We urge Congress once again to protect an important Indian education program from elimination.

## II. BIA School Operations

Of necessity, this testimony is primarily concerned with the threatened elimination of the Johnson O'Malley Program. Some comment should be made, however, on the other components of the BIA education budget. The budget for school operations appears to be set at slightly above the level of the previous year for the ISEP formula, with additional funds for educational standards implementation and for student transportation. These increases are to be applauded, given the critical academic needs of the bureau schools. We are concerned that contract support funds be made available to contract schools in this budget at a sufficient level to avoid the shortfalls which have regularly occurred in these funds in recent years. We are also concerned that the proposed reduction in school board expense funds will dilute the effect of the increase in ISEP.

Another area of concern in the proposed school operations budget is the projected decrease in the intense bilingual ADM in the Bureau's budget justification (p. 36). No explanation of the projected reduction is given. At least within the Navajo Nation, we would anticipate an increase in the intense bilingual ADM if Bureau schools respect and take action to implement Navajo educational policies regarding education in Navajo language and culture. Recently the Bureau sought to alter its guidelines for intense bilingual education so that they would serve fewer children. This alteration was attempted without any involvement from tribes or schools. It contradicted the Bureau's own regulations and was inconsistent with P.L. 95-561 and 98-511. We are concerned that the budget process may be utilized to accomplish what the Bureau's attempted policy guideline could not.

Finally, something should be said about forward funding. P.L. 98-511, Title V provides for forward funding of BIA education programs. This provision was not implemented in the last fiscal year. It is not proposed for implementation this year either. This is unfortunate, because the current funding system is extremely inefficient. Proposals to soften the effect of late funding by authorizing schools to obligate funds before they know what they will be receiving are totally unrealistic. The past few years have seen reduced funding, proposed program eliminations and tremendous uncertainty in regard to Indian education funding. No school financial officer worthy of the name would expend funds until he or she was certain that they would in fact be arriving and would be in the amount anticipated. If forward funding cannot be realized this year, it would be more honest to simply admit that fact and to begin now to make provision for the genuine forward funding of these programs in the next fiscal year.

III. Continuing Education

The continuing education budget is set at the same basic level as the preceding fiscal year (FY'85). This by itself will occasion some reduction in services, since the cost of higher education is increasing. In addition, however, cuts proposed for other higher education financial assistance programs may aggravate program reductions occasioned by the freezing of the higher education budget. Figures developed by the Navajo Higher Education Department indicate that over $2,000,000 in funds from U.S. Department of Education programs are received by Navajo scholarship recipients. Last year alone, Navajo students received approximately $771,000 in student loans. Cuts in these programs will reduce the total availability of financial assistance for Navajo college students and will result in fewer students being able to pursue undergraduate degrees.

Another concern Navajo college students have in regard to scholarship assistance is the proposed $4000 cap on federal funding which a college student may receive in support of his or her college education in any one school year. This cap would have a very serious impact on Navajo college students. These students, on the whole come from families with lower incomes than the majority of American college students. A full 90% of the Navajo full-time students attending college qualify for Pell grants. (8% of the Navajo students in college are already contributing toward their college education costs from personal or family resources. These resources are extremely limited in many cases.

Over 25% of all Navajo students attending college are "single head of household with dependent children". These students have financial needs which clearly exceed $4000 per year. They have very limited personal resources. One third of the Navajo college students are married. Most of these have children. Their annual expenses for a year of college average $11,000. In sum, the $4000 cap on federal funding could put college our of reach of the 696 single heads of household and the 450 married students now attending college on BIA-funded Navajo Tribal scholarships. We respectfully suggest that the BIA funded scholarship programs should be excluded from the $4,000.00 cap on student financial aid. We also recommend that work-study programs be excluded from the $4,000.00 cap.

## IV. Conclusion

The Navajo Nation urges the Congress to look at the proposed curtailment and elimination of education programs in a careful and enlightened manner. As illustrated by the Johnson O'Malley program, justifications for program cuts and eliminations are often based on inaccurate and misleading information. In particular, we urge Congress to protect the Johnson O'Malley program from elimination and to fund this program at no less than its current level. There is a great need for this program as a part of the total package of basic educational programs available to Indian children. We also urge

Congress to reject the proposed $4000 cap on federal funds for college students in any one academic year or to exempt the BIA's continuing education budget from this requirement. Adequate financial support for our post-secondary students is necessary if they are to obtain the academic skills they need to contribute to building the Navajo Nation.

Mr. Chairman, we thank you for this opportunity to present our views.

## Proposed Federal Budget for Bilingual Education

Mr. Chairman, the Navajo Nation appreciates this opportunity to present our views on Bilingual Education programs.

Bilingual education is an important part of the total educational needs of Navajo Students. The Navajo People have retained their tribal language as a vital part of their culture and everyday life. Many Navajo children hear only or primarily Navajo until they enter school. Others grow up in environments where both English and Navajo are generally spoken. There is a growing recognition within the Navajo Nation that education programs which ignore or downplay the role of the Navajo language in the lives of the children are not successful in producing satisfactory academic or social adjustment to school. Indeed, one of the most successful community schools in the Navajo Nation, the Rock Point community school, is the most thoroughly bilingual as well.

Title VII is an important part of the total resources which local schools and now Indian tribes as well can look to in order to meet the needs of their children for instruction which takes account of the child's home language. Changes in the law during the past session of Congress made it possible for Indian tribes to seek Title VII grants as Local Education Agencies. The Navajo Nation does intend to apply for such a grant, in conjunction with cooperating local schools, within the year. Other important language in the reauthorization of Title VII made provision for programs stressing parental involvement and parent literacy. This new emphasis is particularly important in the Navajo Nation, where there is a great need to bring the home and the school closer together and where lack of literacy on the part of parents impacts student adjustment and accomplishment in school. It is difficult for parents to fully share their children's school experiences if they are blocked by a fundamental language barrier.

The Navajo Nation has over 53,000 children in public, BIA, contract and private schools. The majority of these children come from homes where either Navajo and English are spoken or only Navajo is spoken. A recent survey of political attitudes among Navajo adults living on reservation (sample=448 respondents) found that 43% of those interviewed spoke only Navajo; 6% spoke only English and 51% spoke both Navajo and English. 54% of those sampled felt more comfortable speaking Navajo than speaking English; 12% felt more comfortable speaking English; and 34% felt equally comfortable speaking either language. (National Indian Youth Council survey, October, 1984)

The Navajo people place a high value on the preservation of their language and culture. In the same survey, 73% of the people surveyed were "very concerned"; only 9% were either "unconcerned" or "undecided" about the issue. The Navajo Tribal Council recently adopted education policies for the Navajo Nation, including a policy which calls for instruction in the Navajo language to be available to all students needing or desiring such instruction. Thus, it is clear that truly bilingual and bicultural programs, which stress the native language together with English can meet the needs and aspirations of the Navajo people regarding the education of their children.

Title VII does not provide enough funding to do the whole job. But it does provide seed money to get programs started, to develop program materials, to pilot promising approaches to providing bilingual instruction. It is important that this program continue to be funded at a level at least comparable to last year's funding. It is also important that the appropriations process not be used to favor "English Only", "ESL" or other non-bilingual approaches to teaching non-English-speaking and limited English proficiency students. Such non-bilingual approaches may be suitable in some situations. They are not suitable for the Navajo Nation, where language preservation is such an important value to the whole society.

In conclusion, we would urge the Congress of the United States to fund the Title VII program at no less than the Fiscal 1985 level and to assure that no changes are made in the basic law nor conditional language included in the appropriation which would favor non-bilingual approaches to educating children of limited or no English proficiency.

Mr. Chairman, we thank you for this opportunity to present our views.

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## STATEMENT OF THE ARIZONA ASSOCIATION OF FEDERALLY IMPACTED SCHOOL COMMUNITIES

This testimony regarding the federal impact aid programs is submitted on behalf of the members of the Arizona Association of Federally Impacted School Communities (AAFISC), a non-profit association established five months ago to represent Arizona's federally affected school districts in regard to the federal impact aid programs.

Due to space constraints, our testimony is limited to the new Local Contribution Rate regulation. We are, however, gravely concerned about the proposed elimination of funds for P.L. 81-815 and "Paragraph B" students, as well as the appropriations level for P.L. 81-874. We adopt by reference the comments of other parties in support of FY 86 P.L. 81-874 funding at the authorized level and a freeze at FY 85 levels for "B" students and the P.L. 81-815 program.

### LOCAL CONTRIBUTION RATES

A. OVERVIEW. As you know, the U.S. Department of Education has promulgated a new local contribution rate (LCR) regulation (49 Fed. Reg. 31628) which, if FY 85 appropriations language (P.L. 98-619) remains operative, will not take effect until FY 86. The Administration, however, proposes to rescind the FY 85 appropriations language and cause the new regulation to take effect in the current school year. *See*, FY 86 Budget Appendix at II-12 (Office of the President/OMB, 2/4/85). Arizona's Indian schools protest the new regulation for three reasons:

1. By law, all school districts in Arizona must adhere to stringent "Maintenance and Operation" (M and O) budget spending limits. The M and O budget pays for personnel and non-personnel needs for all aspects of the basic education program. As originally developed in 1979, the statutory formula for establishing M and O spending limits was geared to average, urban conditions in the state. This bias resulted in spending caps that were too low to allow for unique extra cost factors on Arizona's isolated Indian reservations. The reservation schools filed suit seeking to exempt P.L. 81-874 funds from the caps.

Two years after suing, the Arizona legislature adopted settlement legislation (effective school year 84/85) exempting from the spending limit P.L. 81-874 funds attributable to the 25% "add-on" for Indian reservation children and the 50% "add-on" for handicapped children. The plaintiff schools stipulated to a dismissal with prejudice (no right to sue again) of the lawsuit in exchange for the accomodation, which is referred to as "874 add-on M and O capacity." When considering the settlement legislation, the Arizona legislature found (see attachment) that add-on M and O spending capacity was necessary for the Indian schools because they have to contend with unique cost factors which other Arizona schools do not face. For the Indian schools the spending limit was too low to provide equal educational opportunity because it derived from a cost study referenced to average (read urban) conditions in the state. *See generally*, *General Fund Cost Study, Arizona School Districts* (Arizona Department of Education 1979).

For the state as a whole, the new regulation will cut add-on M and O capacity by more than $1,890,00. This reduction results from the fact that the new regulation fails to take into account the unique conditions of Indian education (the total cut in basic and add-on impact aid will be more than $8,654,337). The effects of the cut in M and O spending capacity will be felt almost exclusively in the Indian schools and will have devastating consequences for school improvement initiatives which were undertaken following the change in state law this school year. Many schools will find themselves in the same position they were in before the lawsuit; they will have to deal with irreducible extra cost factors by underpaying teachers, degrading educational programs, and doing away with essential support functions.

2. The second adverse effect results from the fact that under the old regulation some Arizona Indian schools were assigned adequate LCRs, and thereby received adequate add-on M and O capacity under the settlement legislation, while other Indian schools were assigned wholly inadequate LCRs. The LCR for Cedar Unified (Hopi Tribe) is, for example, almost $900 greater than the LCR for Red Mesa Unified (Navajo Tribe). Yet these two schools are located less than sixty miles apart in the northwest corner of the state. Both schools have the same pressing need for add-on M and O spending capacity because both must contend with nearly identical extra cost factors such as isolation, lack of housing and support services, and long bus routes.

We believe these irrational variations among Arizona LCRs are due to a failure on the part of the U.S. Dept. of Education to implement properly the old regulation. In a recent federal district court case involving LCRs, a California federal court found that the rate setting process "has not been administered with precision" and "has been fraught with a great deal of uncertainty, and some mistakes." *Chula Vista District vs. Bell* (No. 811065 So. Dist. California).

The old regulation, because of its sensitivity to ground-level conditions, at least gave Arizona's Indian districts a chance to call for a review which would have corrected LCR "mistakes." The new regulation, however, eliminates all possibility that the Indian schools will be able to secure rates which fund their add-on M and O capacity at adequate levels. First the new regulation eliminates individual selection of comparable districts (a method never used in Arizona). Second, the new regulation's four grouping criteria (the old regulation offered nine criteria "plus any other factors") are too few and too narrow to detect the special conditions on Indian lands. Third, the new regulation forces the Indian schools to be compared with large numbers of off-reservation schools on the mistaken assumption that "average" conditions prevail in Indian country. This is the same assumption that Arizona made in 1979 when it established expenditure limitations on the basis of off-reservation cost factors.

3. The third concern is with the Administration's proposal to make the new regulation effective for the current school year. Relying on the FY 85 appropriations language, schoools have established budgets and obligated monies on the assumption that the new regulation would not take effect until FY 86. Shifting to the new regulation this late in the current school fiscal cycle will cause utter chaos. We ask this committee to reject the Administration's proposal.

B. EXTRA COST FACTORS IN THE PHYSICAL ENVIRONMENT. Arizona's Indian reservation public schools are unique because the physical conditions under which they operate do not occur elsewhere in Arizona.

Examination of a map of the state will suggest some of these special environmental considerations: extreme isolation from major markets for employees and materials; lack of a skilled local labor force; students living in villages which are scattered over vast distances and accessible only over unimproved roads; lack of commercially available housing; low tax bases resulting in badly depreciated buildings, vehicles and equipment; poorly developed transportation, communication, and utility facilities. Clear evidence of the stress these extra cost variables place on the Indian school budget can be seen in a two part analysis of Maintenance and Operation budget expenditures:

1. Non-Transportation Spending. Exhibit A (attached) compares school year 83/84 non-transportation M and O spending in school districts on Arizona's Indian reservations with school districts in the rest of the state. During the 83/84 school year, the Indian districts were still laboring under spending limits that did not include an upward adjustment for the impact aid add-ons. The effect of the extraordinary cost factors is shown by the fact that on average the Indian schools had to spend 29% of available M and O funds for Operations (maintenance, repair, utilities, transportation other than to and from regular school, etc.) while the rest of the state spent only 23% in that category.

The Indian Oasis school district on the Papago reservation in southern Arizona illustrates why the extra spending is needed. Like all the other reservation schools, Indian Oasis must provide housing for its staff and administrators (an expense unheard of off the reservation); it has higher maintenance and utility bills because of the age of its physical plant and equipment; it pays more to import materials and skilled labor; it must operate its own water/waste systems.

2. *Transportation Spending*. Exhibit B (attached) compares spending for transportation of students to and from the regular school program. Due to the enormous travel distances on reservations, the percentage of total M and O expenditures for to and from transportation in the Indian schools is more than twice the percentage for the state as a whole. The state's weighting system for determining transportation assistance provides some extra revenue for schools with long bus routes, but that weighting system has been found to underfund severely transportation costs in the rural schools. *See*, Arizona Legislative Council, *Pupil Transportation Cost Study* (10/30/81). Because of the inadequate weighting system, transportation siphons money from other M and O budget categories in the Indian schools. This explains, in part, why the Indian schools on average are able to spend only 49% of available revenues for M and O "Instruction" while the rest of the state spends 58%. *See*, Exhibit A.

C. *EXTRAORDINARY STUDENT NEEDS*. The Indian Oasis school district on Papago illustrates conditions in the human environment which require school spending above state norms to achieve equal educational opportunity. On Papago, as on other Arizona reservations, the students confront poverty conditions of staggering proportions: severely deteriorated home environments, unemployment rates in excess of 50%, extraordinarily high rates of diabetes, infectious disease, alcoholism, substance abuse, and teenage pregnancy. Fully 95% of the students at Indian Oasis meet the poverty criteria for ECIA Chapter I.

On average in the Indian reservation schools, 75% of the students have a primary home language other than English; six of the Indian schools are above 90%. *See*, Arizona Department of Education, *Annual Report 82/83, Bilingual Instruction and Special English Training*. By contrast, only 10% of public school students in Maricopa County (the greater Phoenix area) have as their primary home language a language other than English. *See*, Arizona Department of Education, *ESEA Title VII Bilingual Education Primary Language Census Report* (1981).

The language factor has disastrous effects on pupil learning. Since the beginning of Arizona's standardized testing program in English reading, grammar, and math, Indian students at all grade levels have consistently scored the lowest of all ethnic groups in each of the three subject areas. *See*, Arizona Department of Education, *Arizona*

Pupil Achievement Testing Statewide Report. As a rule, for every 100 students taking the test in the nation at least 70 score above Arizona's native children. In school year 83/84, out of more than 60 students at the Indian Oasis high school taking the qualifying exam for military service, only 3 passed.

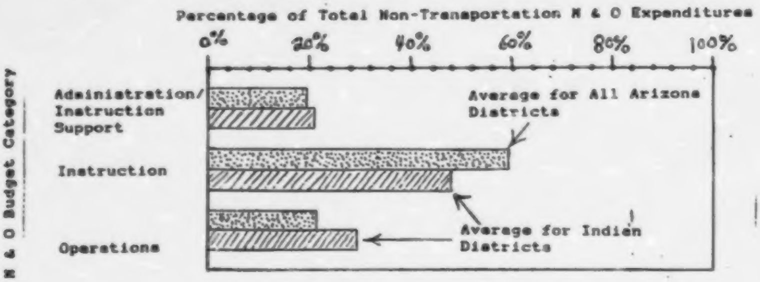
D. CLOSING. For Arizona's Indian schools, there are no districts with similar characteristics. By forcing comparison with dissimilar districts, the new regulation robs Indian schools of extra M and O spending capacity which Arizona has recognized as necessary for equal Indian opportunity under its system of expenditure limitations. It is no answer to say that Congress must consent to the discriminatory effects of the new regulation because the sole purpose of P.L. 81-874 is to pay an amount comparable to what other property owners pay in school taxes. Congress created the impact aid add-ons because it has a responsibility to assure equal educational opportunity in high cost Indian schools. See, e.g., 1979 Cong.Adm.News at 5082. Relative tax contribution is irrelevant to the impact aid add-ons.

Nor is it an acceptable argument that the federal supplementary programs (ECIA Chs. 1 and 2, Titles IV and VII, etc.) can make up for reduced M and O spending capacity under the new LCR regulation. The Indian schools have suffered nearly a 40% cut in those programs over the last four years; most of the federal money cannot legally be used for M and O budget items impacted by the extra cost factors.

The conflict between the Administration's quest for uniform LCRs and the equal opportunity rights of Indian children may be irreconcilable. The Indian schools gave up the right to refile their lawsuit assuming that a rate setting process sensitive to their special needs would remain in place. Arizona's Indian tribes and school districts respectfully ask this committee to raise add-on amounts in schools with inadequate LCRs to the same level as add-on amounts in schools having adequate add-on amounts and, notwithstanding the new regulation, maintain the add-on amounts until such time as this accomodation can be made statutory. We thank you for your consideration.

## EXHIBIT A

Bar Graphs Comparing 83/84 Non-Transportation Maintenance and Operation Spending By Category: Averages for Districts Located on Indian Lands in Arizona Compared With Averages for All Districts in Arizona
Source: 83/84 State Superintendent's Report     Main File=COMP2



EXPLANATION

The three spending categories of the Maintenance and Operation Budget are defined in state law as follows: 1) ADMINISTRATION/INSTRUCTION SUPPORT - district-wide administration, central office and governing board, financial management, principals, counseling, psychological and health services, attendance and social work, library staff, compliance with P.L. 81-874 Indian involvement requirement; 2) INSTRUCTION - direct interaction between teachers and students, includes teacher salaries for regular, gifted, remedial, bilingual, career ed, vocational ed, special ed, teacher aides; 3) OPERATIONS - building/grounds maintenance and repair, staff housing maintenance/repair/overhead, cafeteria services not funded federally, warehousing, insurance, rents, transportation other than students "to and from regular school" (f.ex. administrator travel, sports and field trips), other expenses.

Student transportation "to and from regular school" is a separate M & O expenditure category. The state formula for funding "to and from" transportation allocates funds on a weighted basis which attempts (and fails) to allow for physical differences among districts. For this reason, "to and from" transportation spending is shown separately in Exhibit B as a percentage of total M & O spending. "To and from" transportation spending was deducted from total M & O spending amounts prior to computing the percentages shown here.

Cedar Unified (Hopi) and Rice Elementary (San Carlos Apache) are excluded from the Indian school database because of apparent defects in the data published in the 83/84 State Superintendent's Report.

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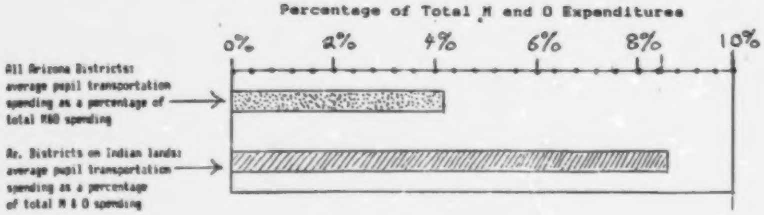
## EXHIBIT B

Bar Graphs Comparing 83/84 Spending for Pupil Transportation To and From Regular School: Average Percentage of Total M and O Spending for Indian Dists Compared With Average Percentage for All Arizona Dists
Source: 83/84 State Superintendent's Report     Main File=COMP2



## EXHIBIT C:

### School budgets; P.L. 81-874 monies

**Purpose:**

This bill would make the following changes in the law regarding federal impact aid assistance (P.L. 81-874 monies), beginning with fiscal year 1984-85:

1. The additional monies received by school districts for handicapped children and children with specific learning disabil-

ities (50% more than the basic assistance level) and for children residing on Indian lands (25% more than the basic assistance level) could be budgeted and spent outside the revenue control limit (RCL).

2. The 25% add-on for Indian students would not be included in the amount of impact aid to be used in calculating the reduction of state aid under the state's equalization formula. (Currently only the 50% add-on money is not included in the equalization formula.)

3. It would repeal the current provision which allows heavily impacted districts (those with 20% or more pupils who qualify for impact aid) to have an automatic override using PL 81-874 monies to exceed the RCL by 10%. Heavily impacted districts which wished a 10% override would be required to follow the same procedures as other school districts and submit the override request to the voters for approval. Availability of sufficient PL 81-874 monies to fund the override would not be guaranteed.

Background:

Currently, the 50% and 25% add-on monies, like all other PL 81-874 monies are not considered categorical federal monies which are outside the RCL. Thus, these add-ons do not increase a district's budget capacity. By placing these monies outside the RCL, districts receiving federal impact aid would have increased budget capacity. One assumption underlying this bill is that it was the intent of Congress that the 25% and 50% add-on monies provide districts with additional budget capacity to meet the special needs of Indian students and handicapped students. A second assumption underlying this bill—is that school districts on Indian reservations have higher operating costs caused by such factors as remoteness from major service centers, low population density, and poor quality roads, so that placing the 25% add-on money for students residing on Indian lands outside of the RCL and outside the equalization formula recognizes the unique needs of Indian districts as a factor to be included in the state's equalization system.

This bill would have little impact on the cost of state aid to districts which receive federal impact aid. This is because the deduction of the 25% add-on monies before the equalization formula is applied would be offset by the elimination of the automatic 10% override, which is currently deducted from impact aid before the equalization formula is applied. The additional budget capacity which school districts would receive for the 25% and 50% add-ons would be funded by federal monies.

This bill, if passed, would settle current federal litigation in which several school districts on Indian reservations are challenging Arizona's school finance system.

## STUDENT FINANCIAL ASSISTANCE

Senator WEICKER. Is Katherine Ann Ozer, legislative director of the United States Students Association here?

Is the Rev. William Byron, president of the Catholic University, here?

### STATEMENT OF REV. WILLIAM J. BYRON, S.J., PRESIDENT, THE CATHOLIC UNIVERSITY OF AMERICA

Reverend BYRON. Yes, sir.

Senator WEICKER. Father, why don't you sit down? We are delighted to receive your testimony at this time.

Reverend BYRON. I am representing the American Council on Education. I have submitted testimony that is available to the staff.

Senator WEICKER. Fine. Those copies will be available. They will be included in their entirety in the record.

Reverend BYRON. I will give you an abbreviated synposis of what we have. We are grateful to you for the work you have done in the past, and we are counting on you for the future.

Our first request deals with the fiscal year 1985 supplementals. That is to ask you to retain the specific amounts of the fiscal year 1985 appropriations act raising the Pell grant maximum to $2,100 and paying up to 60 percent of the cost of attendance.

As you know, this is going to require a supplemental estimated by CBO at $269 million and an additional $397 million to meet shortfalls in prior years.

In the fiscal year 1986 budget, we have responsibility to represent the pressing needs of the colleges and universities, not only for student aid, but for support to strengthen the quality of education at the undergraduate and the graduate levels and to address serious deficiencies in academic and laboratory facilities.

Nevertheless, we recognize that in this period of fiscal stringency, the resources simply aren't available to meet all the needs. In the expectation of a budget resolution limiting fiscal year 1986 spending ceilings to fiscal year 1985 levels, with some adjustment for inflation, we have to clearly state our priorities among the various programs of the Higher Education Act.

Therefore, we are requesting increases only for programs providing student access and choice of postsecondary education.

If the most optimistic assumption for fiscal year 1986 is a current services budget, fiscal year 1985 levels adjusted for inflation, the amount of additional funding available would be in the range of $200 to $300 million. That would be sufficient to increase the Pell grant maximum to $2,200. That would take $100 million to do that.

Also, provide a small increase in supplemental grants. That would take $27 million to assure that said is distributed equitably to needy students in both public and independent institutions and to permit modest increases in other student aid programs to maintain their current value.

On categorical support, the various categorical programs of the Higher Education Act provide an assistance for a variety of national sources. The appropriation would eliminate all but title III for developing institutions. We insist that support for international studies, college libraries, cooperative education, and the fund for the improvement of postsecondary education also deserve priority for their role in strengthening the quality of higher education.

So we would urge their continuation at least at the present levels and at an appropriation sufficient to maintain current services and to provide real increases as funds become available.

The subcommittee took an important step last year in providing $27 million for academic facilities grants under title VII. This will address the enormous facilities problems on the Nation's campuses. So we urge that continued progress be made through similar funding for fiscal year 1986.

We would also ask the subcommittee to direct that revolving funds for the College Housing Loan Program continued to be made available for new commitments to avoid discontinuing that really important program, and the administration has requested its discontinuation.

### PREPARED STATEMENT

That is a summary of my testimony, Mr. Chairman, and I am grateful to you for your help in the past, and we are counting on you in the future.

[The statement follows:]

## STATEMENT OF REV. WILLIAM J. BYRON

Thank you for the opportunity to comment on the Department of Education budget on behalf of the higher education community. At the outset, I would like to express our gratitude to the Chairman and members of this Subcommittee for your leadership in achieving record funding levels to support postsecondary opportunities for all qualified young Americans.

The FY 1985 appropriation bill you steered to enactment last fall represented a major step in reversing several years of serious erosion in the value of federal student assistance. Equally important, the bill represented a strong affirmation of the priority Congress places on education.

This affirmation was particularly gratifying because the capacities of America's colleges and universities are being sorely tested to meet the needs of a diverse population and a highly complex economy, to advance the frontiers of knowledge and research, and to encourage their practical application. And while the Fiscal Year 1986 budget directly challenges the federal role in assuring educational opportunities, several Administration study commissions have strongly endorsed this role. The National Commission on Student Financial Assistance concluded after two years of study that the primary need of the current programs is increased funding, not radical change. Only last month the President's Commission on Industrial Competitiveness recommended increasing postsecondary capacities to improve the skills of the work force as part of a series of recommendations to strengthen the economy.

### FY 85 Supplementals

Our first request is that you maintain your determination to implement the specific requirement of the FY 85 Appropriation Act raising the Pell Grant maximum to $2,100 paying up to 60 percent of cost of attendance. As you know, this will require a supplemental estimated by CBO at $269 million, and an additional $397 million to meet shortfalls from prior years.

The Administration's refusal to request the needed supplemental has created a massive tieup of the student aid delivery system on campuses around the country. Until it is clear whether the supplemental will be provided or not, institutions are unable to inform students of the amount of their aid awards for the fall term, leaving literally hundreds of thousands of students unable to make their educational plans. If the Administration has its way, and a supplemental is not provided, we estimate that over 260,000 students will lose their Pell Grants entirely and all recipients of awards under $1,200 will have their grants reduced sharply due to the application of the reduction schedule which the law imposes when funds are insufficient. We urge that you hold firm in your original intent for funding the Pell Grant program.

You also know that a supplemental of $665 million will be needed for the Guaranteed Student Loan Program to make up for inadequate appropriations in FY 84 and FY 85. The Administration has requested this amount and we support it, although the need for action is not as pressing as in the case of the Pell supplemental.

## FY 86 Budget

We have a responsibility to represent the pressing needs of America's colleges and universities not only for student aid but for support to strengthen the quality of education at the undergraduate and graduate levels, and to address serious deficiencies in academic and laboratory facilities. Nevertheless we recognize that in this period of fiscal stringency the resources simply are not available to meet all these needs. In the expectation of a Budget Resolution limiting FY 86 spending ceilings to FY 85 levels with some adjustment for inflation, we must clearly state our priorities among the various programs of the Higher Education Act. Therefore we are requesting increases only for programs providing student access and choice of post-secondary education.

If the most optimistic assumption for FY 86 is a "current services" budget -- FY 85 levels adjusted for inflation -- the amount of additional funding available would be in the range of $200-300 million. That would be sufficient to increase the Pell Grant maximum to $2200 ($100 million), provide a small increase in Supplemental Grants ($27 million) to assure that aid is distributed equitably to needy students in both public and independent institutions, and permit modest increases in other student aid programs to maintain their current value.

## Pell Grants

A $100 increase in the Pell Grant maximum increase would maintain all 2.9 million current eligibles in the program and add approximately $100 to all awards, approximately maintaining their current value. As the basic foundation for all student assistance, protecting this program from the erosion of inflation is our highest priority. It should be emphasized that, even with the increase provided in FY 85, the maximum represents only 33 percent of the average cost of attendance at all institutions (and 20 percent of the cost for students at independent institutions) as opposed to the 46 percent it represented in FY 79 (30 percent for students at independent institutions).

## Supplemental Grants

The proposed $27 million increase for Supplemental Grants would bring the program to the $440 million the law requires when the Pell Grant maximum exceeds $2,100. This would provide some 50,000 additional awards for undergraduate students with substantial financial need. An estimated 727,000 are to be made this fall under the FY 85 appropriation of $413 million. Although the Administration has proposed its elimination, SEOG is especially critical for needy students attending higher-priced public and independent institutions.

## Direct Loans

A $96 million increase in the Direct Loan program would restore the $286 million level the law requires when the Pell maximum exceeds $2100. This would support an additional 120,000 low-cost loans for needy students in addition to the 143,000 which will be funded by the FY 85 appropriations. The Administration seeks to end capital contributions to this program, arguing that revolving funds will provide about $715 million for new loans to 812,000 students. Nevertheless, some 2,500 institutions would have to cut back on loans substantially if federal contributions were unavailable, and these institutions report a need for additional funding in excess of $900 million.

## College Work-Study

We also recommend a $33 million increase for the College Work-Study program. This would provide an additional 47,000 self-help opportunities and bring total funding for the program to $625 million.

## State Student Incentive Grants

We recommend level-funding for this state-based program at $76 million to maintain awards at approximately 304,000. The Administration argues that the program should be eliminated because most states overmatch the federal requirement, but at least 15 states rely on the federal share for 45 to 50 percent of total funding. Therefore, loss of the program would result in a reduction of state as well as federal support for needy students.

## Guaranteed Student Loans

We note that the Administration's estimate of GSL costs is lower than CBO's projection, because program changes are assumed which would require changes in the authorizing legislation. We see no prospect for such changes fthis year, and believe that they should be considered in the context of the pending review and reauthorization of the entire Higher Education Act.

## Graduate Fellowships

In addition to the Title IV programs, other important student aid programs are authorized by Title IX of the Higher Education Act. We recommend an increase of $5 million for modest expansion of the Graduate and Professional Opportunities Program (GPOP) and the Javits National Graduate Fellowships, as well as continued funding for Public Service Fellowships, Assistance for Training in the Legal Profession, and Law School Clinical Experence.

The Administration's effort to eliminate funding for Title IX is contrary to the conclusion of the National Commission on Student Financial Assistance that "federal support is indispensable to excellence in graduate education," which is showing "serious signs of distress."

## Special Programs for the Disadvantaged

We recommend an increase of $15 million to provide current services funding for Upward Bound, Talent Search, Special Services, Educational Opportunity Centers, and staff training grants. These programs are of proven value in encouraging the participation and retention of disadvantaged youth in college. They have suffered some restriction in recent years due to increased costs. The Administration seeks to cut them in half; they should receive an increase to permit some expansion of access to these services.

Categorical Support

The various categorical programs of the Higher Education Act provide assistance for a variety of important national purposes. The Administration would eliminate all but one: Title III grants for developing institutions. We insist that support for international studies, college libraries, cooperative education, and the Fund for the Improvement of Postsecondary Education also deserve priority for their role in strengthening the quality of higher education. We urge their continuation at least at present levels, and at appropriations sufficient to maintain current services and to provide real increases as funds become available.

The Subcommittee took an important step last year in providing $28 million for academic facilities grants under Title VII. This will begin to address the enormous facilities problems on the nation's campuses, and we urge that continued progress be made through similar funding in FY 86. We also ask the Subcommittee to direct that revolving funds from the College Housing Loan program continue to be made available for new commitments, to avoid discontinuing this important program as the Administration has requested.

We also call attention to the need for fully implementing the new Carl Perkins Vocational Education Act. The Perkins Act points vocational education in important new directions in Parts C and E of Title III (adult training and retraining, and education partnerships with high-tech industry). Initial funding of these programs -- perhaps $20 million each for Parts C and E -- would dramatically expand vocational programming in the private sector by leveraging both high-tech partnerships and adult training for real jobs. Such an investment will be repaid many times over in added federal revenue and growth of the national skill base.

In summary, we recommend the following increases for Fiscal Year 86 to maintain and strengthen postsecondary opportunities for needy students:

| | |
|---|---|
| Pell Grants | +100 million |
| SEOG | + 27 million |
| CWS | + 33 million |
| NDSL | + 96 million |
| TRIO | + 15 million |
| Grad Fellowships | + 5 million |

Senator Weicker. Father, thank you very much. Let me just make one comment. In your statement you refer to the resources and the limitation on them. The resources are there, Father, the resources are there, just as you were emphasizing priorities within the education structure.

I would suggest that we pool our resources for education. It is just a question as to what we as a Nation deem to be our priorities.

Reverend Byron. I think you and I would agree on the same set of priorities and the redirection of the existing resources.

Senator Weicker. It is wonderful having you testify.

We are honored here to have the chairman join us. I want to know if the chairman has any questions to direct to Father Byron.

Senator Hatfield. No; I am glad to welcome the president of Catholic University and a long time friend. You are in very good hands. I am just happy to be here to support the chairman of the subcommittee on these important issues. I am sure, as you know, you have a very sympathetic chairman and members, such as Senator Burdick and myself, as part of this committee.

Reverend Byron. I know that, Senator. We are very grateful to you for all you have done in the past.

Senator Weicker. Senator Burdick?

Senator Burdick. I don't want to change anything that was just said.

Senator Weicker. Thank you, Senator.

Thank you.

Reverend Byron. Thank you.

Senator Weicker. You are here on a special mission. Is your colleague the Congressman here also?

Senator Hatfield. Yes, he is. I have never seen so many Oregonians in one place at one time. I can't wait to see what is going to happen.

Mr. Chairman, if I may, I am happy to welcome our Congressman, Robert Smith.

## STATEMENT OF ROBERT J. SMITH, U.S. REPRESENTATIVE FROM OREGON

ACCOMPANIED BY DR. NATALE SICURO, PRESIDENT OF SOUTHERN OREGON STATE COLLEGE, ASHLAND, OR

Senator Weicker. Congressman Smith?

Senator Hatfield. He has the honor of representing the district in which are located two of our great cultural and intellectual gems of the State, the world famous Shakespearean Festival and also Southern Oregon State College, which is headed by President Sicuro. They are both in Ashland, OR. I would like Congressman Smith to make the presentation on behalf of Southern Oregon State College.

Mr. Smith. Thank you, Senator. I am merely here to show support for Dr. Sicuro and great respect. Dr. Sicuro is president of Southern Oregon College and is renowned in the academic field. I will let Dr. Sicuro tell you about his Kent State activities.

I won't go into that. I am just pleased to be here, and I don't want to interfere with his time. Thank you, Senator Hatfield, for allowing me to be here, and Mr. Chairman.

Senator WEICKER. When I was asked to come out and campaign for you, I went to most of the academic institutions in the State, and I don't think I went to this one.

Mr. SICURO. You missed the best one.

Senator HATFIELD. It wasn't that we weren't anxious to have you exposed to the entire State, but President Sicuro had everything so well established down there——[Laughter.]

Senator WEICKER. Senator Burdick?

Senator BURDICK. What school was it that Dr. Spears went out and played football? What school was that?

Mr. SICURO. I think that was Oregon State. He was my former coach.

Senator WEICKER. You obviously have many friends and many admirers, so please. Having said all of that, you are still in the time limitation everyone else is. [Laughter.]

Mr. SICURO. Thank you very much, Mr. Chairman.

Senator WEICKER. Go ahead. You have come a long way.

Mr. SICURO. I am here to represent the American Association of State Colleges and Universities, which comprises 366 institutions across the country and enrolls over 2.5 million students. My written testimony, of course, elaborates on what Father Byron just proposed that the American Council on Education is supporting.

I would like to focus my comments on the students in this Nation, and particularly, in light of the past several months, the kinds of misleading information, the kinds of unfair accusations that have been made toward the college students and the type of adversarial relationship that seems to be developing among certain members of the administration in the higher education community.

I would hope that as a result of my remarks today that the adversary relationship will continue to diminish and that we can come into an advocacy position, particularly because the majority of our students in this Nation, and particularly the State colleges and universities, are hardworking students. Most of them are working their way through school, and the kind of student aid that they are getting is helping them realize the American dream such as I realized over 20 years ago when Federal aid helped me get to a point that I am now a college president. It wouldn't be possible for me to be sitting here today had it not been for student loans, training, fellowships, and the kind of grants that I earned and that I felt I could pay back, and I have paid back all my loans.

I would like to focus additionally on the fact that each new administration seems to come into the picture and, particularly in recent years, has advocated a major overhaul of our student aid programs. I think that this is unfair and, again, going in the wrong direction.

We have had a national commission on student financial aid report over 1 year ago that the financial aid programs we have now are working and working well. It would be in our best interest as a Nation to continue to foster those programs and increase their funding so that they could continue to make the American dream come through for the many millions of students who are attending our American colleges and universities. It is very clear in the documentation that is present in the testimony that low-income students will suffer from the projected cuts, the proposals that the administration is making, contrary to the comments that have been made by the Secretary and others.

We estimate that something like 250,000 women would be ineligible for any further aid and that 40 percent of all students who come from families with income under $25,000 would be severely impaired with respect to aid.

I would like to end by saying that in the year 1636 to 1952, over 300 years, we had a college population that grew only to 3 million students. Since 1952, our population has grown to 12 million students, quadrupled. That is a dramatic testimony to the American way of life, to the aristocracy of opportunity that has developed in this Nation. That has been compelled by Federal aid to students.

I would hope you and this committee will continue to support the student aid programs that exist, that the increases that have been proposed will be granted and that we can continue to move ahead with developing a first line of defense for our Nation which is truly the development of our human resources. I think that that speaks for itself. I appreciate the opportunity to be here today, particularly to have Senator Hatfield and Congressman Smith join us, as well.

Senator WEICKER. I thank you very much for your testimony. Before I turn the questioning over to Senator Hatfield, let me say this: that between Senator Hatfield, the chairman of the Appropriations Committee, and Senator Stafford, head of the authorizing committee, I can assure you that the sense, I think, of the American people is better represented in the Congress, in the Senate in this case, than it is in the administration.

I fully expect that the aspirations that you have and many others like you will find fulfillment in the authorization and legislative branch.

Senator Hatfield?

Senator HATFIELD. Thank you, Mr. Chairman. I would just like to say to Dr. Sicuro that when you point up the matter of a sense of adversarial relationship that has developed, there are many adversarial roles that are being played out in this whole budget process. Unfortunately, they do not always result in the best decisions, although in this particular instance, the exercise we have just been through on the budget resolution did develop a very significant decision on the matter for which my colleagues and I all played a role in terms of the final vote of 51 to 48.

There has been a growing adversarial relationship—unfortunately, it should not be there—between military and nonmilitary spending in the Federal Government. By and large, defense and security are perceived by some as being exclusively found in our military arsenal and in our hardware systems, whereas, according to the Eisenhower school of thought it is said frequently that our defense of the Nation is fundamentally grounded upon many components, of which education is one very significant one.

When we voted on that resolution to bring the military down to a freeze level for fiscal year 1986 that, in effect, freed up $18 billion for fiscal year 1986 to be redistributed to give support to other nonmilitary programs. That was probably one of the most significant historic votes—in this Congress, at least.

Important contributions that went into that were made by some of my colleagues on either side of the aisle giving their support. Senator Weicker, particularly, played a major role in the negotiations that went on behind the scenes, to make sure that some of that $18 billion was given back into those programs that have been significantly undercut by some of the original budget proposals.

So I merely wanted to focus upon that as another one of those adversarial factors that we are facing, and yet have to deal with.

I am very hopeful we can get past this adversarial era of our history. It is not only in the political field, as you know. It is not only between nonmilitary and military spending. It is between education's needs and people who do not see those needs. Fortunately, it is not a majority of people. You in the field of education must assume some role, too, in helping to diminish that adversarial relationship that has surfaced in our society. Maybe one of the first steps would be to start restricting the number of students we permit to go to law school. [Laughter.]

Mr. SICURO. I am not sure about the latter, but I will pledge support of the higher education. [Laughter.]

Senator BURDICK. So was the response.

Senator WEICKER. Senator Burdick?

Senator BURDICK. No questions.

PREPARED STATEMENT

Senator WEICKER. Thank you very much for making the effort to be with us. Your statement in its entirety will be included in the record. I am sure that this issue will be resolved to the satisfaction of students, administrators, and teachers alike.

Mr. SICURO. Thank you very much, Mr. Chairman.

Senator WEICKER. Thank you.

Mr. SMITH. Thank you.

Senator WEICKER. Thank you, Congressman, for being with us.

[The statement follows:]

## STATEMENT OF DR. NATALE SICURO

My name is Natale Sicuro. I am President of Southern Oregon State College in Ashland, Oregon. And I am testifying today in behalf of the American Association of State Colleges and Universities (AASCU). AASCU represents 366 public colleges and universities across this nation. Those institutions range in size from a small college with a student population of just over 400 to a large university with more than 34,000 students. AASCU institutions enroll over 2.5 million students. A large number of our students are first generation college students. And many of our students would not be able to attend college if it were not for the availability of federal student aid.

Before I begin, I want to thank the Chairman and this Committee for the continued support that you have given to student aid programs. In particular, I want to thank you for your efforts during the past two years. The increases you have provided student aid programs, especially the Pell grant program, have enabled us to regain a bit some of the lost ground brought about by the Omnibus Budget Reconciliation Act of 1981. We have begun to recapture some of the lost purchasing power of the Pell grant program, which, because of the ravages of inflation, had begun to buy less education that it had in the mid seventies. Because of your efforts we are on the right track again, and I thank you for that.

Mr. Chairman, I want to address my remarks today to the federal student aid programs. At the outset, I want to state for the record that AASCU supports the appropriations testimony of the American Council on Education (ACE) and the funding requests that testimony makes. Some of the highlights of that testimony which are of particular importance to our students are--

(1) A Fiscal year 1985 Pell Grant Supplemental, to make sure that there is sufficient funds to provide for a $2100 maximum Pell grant paying up to 60 percent of costs;

(2) A $100 million increase in the Pell grant program for fiscal

year 1986, to insure that the current value of Pell grant awards is not eroded;

(3) Increases in the campus-based student aid programs, so that these vital sources of aid are available to our students;

(4) An increase in the TRIO program, so that special services to the disadvantaged--which are absolutely essential if we are to maintain our commitment to equal opportunity--are not diminished; and

(5) Funds for graduate fellowships.

Mr. Chairman, the funding increases which ACE recommends are vital if we are to keep the doors of postsecondary education open to millions of able and qualified young people throughout this nation. These programs give young people a chance at a better life, a life that will enable them to be more productive citizens, which will definitely assist us in becoming a more productive nation.

Recently, there has been much said about students and student aid. Some of it has not been complimentary. We have heard of stereos, automobiles, and beach vacations. I would like to use this opportunity to address some of these statements and to give the committee a different picture about students and student aid. I should say that my picture is based on facts, not perceptions. It is a picture based on actual student aid recipient records. I believe this is probably the most accurate picture of student aid recipients at public colleges and universities anywhere.

What this picture shows is that approximately 90 percent of student aid recipients come from families with incomes of less than $27,000. 65 percent come from families with incomes of less than $16,500. 50 percent come from families whose incomes are below the poverty level.

These students receive on the average $1100 in grant aid. This grant aid comes from federal, state and institutional sources. They earn another $450 through work-study programs. They borrow another $800 through various loan programs. And they and their parents put up another $1600 from their own funds each year to finance their college education. All this is at a public institution, where the average cost nationwide is $4,222.

And these are dependent students. For a self-supporting student, the figures are somewhat different. These students get about the same in grant aid, but they have to borrow more--on the average of $1000 a year--and they have to come up with more out-of-pocket expenditures--about $3000 a year. Contrary to the opinion of some, no one at public institutions gets a free ride. In fact, most everyone pays quite a bit out of their own pocket.

Mr. Chairman, let me point out one other interesting point. A recent study of student aid recipients in four states (Arizona, California, New York and Wisconsin) pointed out two important facts. A high proportion of students still work in order to help pay their way to college. More than half of the students are employed during the school year, and more than three-quarters work during the summer. Also, students who receive student aid are no different in terms of academic preparation and grade point average than students who do not receive student aid. The principal difference between those who receive student aid and other students is thatstudent aid recipients are poorer. And it is to those students--students who without student aid could not pursue a college education--that our federal programs are directed. And in my opinion, Mr. Chairman, those programs work.

Mr. Chairman, I know that the Administration has sent recommendations to your committee concerning student aid programs. One of the Administration's contentions is that those recommendations would not harm low-income students. AASCU has analyzed those recommendations, and that analysis proves the contentions of the Administration to be absolutely false. According to the AASCU analysis, 40 percent of the students who would be affected by the Administration's proposals come from families with incomes below $25,000 a year. 333,000 low income college students--with incomes below $12,000--would have their aid reduced under the Administration's proposals. 87,000 minority students with incomes below $12,000 would have their aid reduced. 32,000 minority students would become totally ineligible for aid. 165,000 women with incomes below $12,000 would have their aid reduced. 250,000 women would become totally ineligible for aid. I have attached a copy of the AASCU analysis to my testimony for the benefit of the committee.

The proposals of the Administration would destroy the dreams of hundreds of thousands of low-income and minority students. I hope this committee will reject those proposals.

Mr. Chairman, a little over a year ago the National Commission on Student Financial Assistance reported to Congress that the current system of federal financial aid worked, and worked well. Although this report did not receive a great deal of notice, I think it is important to note that this was a bi-partisan Commission, with members appointed by the House, Senate, and by President Reagan. This Commission studied the student aidsystem for two years, and at the end of its studies the Commission unanimously concluded that the current system of student aid worked well. And they came to that conclusion because the system is a good one, based on sound principals.

By approving the small increases in these programs that ACE has recommended, this committee will take a large step towards making these programs work even better, and you will be making the dream of a higher education within reach of hundreds of thousands of young Americans. Thank you for inviting me to be with you today.

## IMPACT OF REAGAN ADMINISTRATION PROPOSED EDUCATION BUDGET CUTS ON:

**Low-Income College Students**

- 500,000 with incomes below $25,000 would have their aid reduced.
- 426,000 with incomes below $18,000 would have their aid reduced.
- 333,000 with incomes below $12,000 would have their aid reduced.
- 237,000 with incomes below $6,000 would have their aid reduced.

**Minority College Students**

- 105,000 with incomes below $25,000 would have their aid reduced.
- 97,000 with incomes below $18,000 would have their aid reduced.
- 87,000 with incomes below $12,000 would have their aid reduced.
- 61,000 with incomes below $6,000 would have their aid reduced.
- 32,000 would become ineligible for federal student aid.
- 177,000 would either have aid reduced or be eliminated from aid programs.

**Women Students**

- 249,000 with incomes below $25,000 would have their aid reduced.
- 214,000 with incomes below $18,000 would have their aid reduced.
- 165,000 with incomes below $12,000 would have their aid reduced.
- 114,000 with incomes below $6,000 would have their aid reduced.
- 250,000 would become ineligible for federal student aid.
- 630,000 would either have aid reduced or be eliminated from aid programs.

**Independent Women with Children**

- 23,600 with incomes below $25,000 would have their aid reduced.
- 23,200 with incomes below $18,000 would have their aid reduced.
- 20,600 with incomes below $12,000 would have their aid reduced.
- 17,500 with incomes below $6,000 would have their aid reduced.

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(*Source:* Original data provided from the 1983-84 NIICU and AASCU/AACJC/NASULGC Student Aid Recipient Data Banks.)

*Editor's Note:* The Reagan Administration has attempted to justify its proposed cuts in student aid by arguing that the cuts would only affect middle-income students whose family income is $25,000 or more. By doing a computer-run on data provided by the 1983-84 NIICU and AASCU/AACJC/NASULGC Student Aid Recipient Data Banks, AASCU learned that tens of thousands of low-income and minority students would lose aid under the Reagan Administration proposals. In fact, almost a quarter million students from families with incomes of less than $6,000 would have their aid reduced. (See story on page 1) We are providing the following detailed information as an AASCU Special Report for your information and use.

## IMPACT OF REAGAN STUDENT AID PROPOSALS

**Low-Income Students**

| Income Level | Number of Students Affected | Student Aid Dollars Lost | Average Award Lost Per Student |
|---|---|---|---|
| Less than $6,000 | 236,992 | $275,262,454 | $1,161 |
| $6,000 – $12,000 | 95,934 | 116,353,416 | 1,212 |
| $12,000 – $18,000 | 92,812 | 142,862,859 | 1,539 |
| $18,000 – $25,000 | 72,270 | 85,431,976 | 1,182 |
| Totals | 498,008 | 619,910,705 | 1,244 |

**Minority Students**

| Income Level | Number of Students Affected | Student Aid Dollars Lost | Average Award Lost Per Student |
|---|---|---|---|
| Less than $6,000 | 61,128 | $ 71,086,512 | $1,164 |
| $6,000 – $12,000 | 20,838 | 27,021,382 | 1,297 |
| $12,000 – $18,000 | 15,158 | 21,372,668 | 1,410 |
| $18,000 – $25,000 | 8,184 | 10,303,150 | 1,259 |
| $25,000 – $32,500 | 39,867 | 65,499,062 | 1,643 |
| $32,500 and above | 31,737 | 101,288,057 | 3,191 |
| Totals | 176,815 | 296,570,825 | 1,677 |

Women Students

| Income Level | Number of Students Affected | Student Aid Dollars Lost | Average Award Lost Per Student |
|---|---|---|---|
| Less than $6,000 | 114,088 | $135,386,018 | 1,186 |
| $6,000 – $12,000 | 50,696 | 60,183,942 | 1,187 |
| $12,000 – $18,000 | 49,240 | 56,549,972 | 1,148 |
| $18,000 – $25,000 | 34,548 | 38,628,452 | 1,118 |
| $25,000 – $32,500 | 133,506 | 207,936,197 | 1,557 |
| $32,500 and above | 249,063 | 748,180,836 | 3,003 |
| Totals | 631,145 | 1,246,865,421 | 1,975 |

Female Single Parents

| Income Level | Number of Students Affected | Student Aid Dollars Lost | Average Award Lost Per Student |
|---|---|---|---|
| Less than $6,000 | 17,535 | $23,390,748 | $1,333 |
| $6,000 – $12,000 | 3,131 | 5,749,126 | 1,835 |
| $12,000 – $18,000 | 2,601 | 2,670,617 | 1,026 |
| $18,000 – $25,000 | 395 | 395,634 | 1,000 |
| $25,000 – $32,500 | 534 | 800,663 | 1,499 |
| Totals | 24,106 | 33,006,788 | 1,369 |

## STATEMENT OF KATHERINE OZER, LEGISLATIVE DIRECTOR, UNITED STATES STUDENT ASSOCIATION

Senator WEICKER. The next witness is Katherine Ozer, the director of the United States Student Association.

Ms. OZER. Good morning, Mr. Chairman and members of the subcommittee, I appreciate the opportunity to be before you today to present our views on the fiscal year 1986 appropriations for title IV student financial aid programs.

My name is Kathy Ozer, and I am the legislative director of the United States Student Association, which represents students in postsecondary institutions.

USAA's major commitment and priority goal is to help ensure student access to postsecondary education. USAA defines access as not only the availability of and information on student aid, but also the full enforcement of civil rights laws on campus. USAA is working toward the restoration of title VI, title IX, and section 504, since students' basic rights and protections under these laws have been in jeopardy since the Supreme Court decision of February 1984.

We appreciate your leadership on this issue. Money, budgets, and debt have been at the top of the student agenda as well as the Federal agenda. Concern over rising living costs, loan debts, and 25 percent proposed cuts have dominated student concerns all semester. The theme of money has also played a role in the debate over where a campus is investing its terms. The term divest was inappropriately used to characterize the effect of your budget proposals on students across the country, yet it is a term that is fortunately becoming more familiar to students and citizens across the country in the context of South Africa.

We also appreciate your role on that issue. USAA has been in the forefront opposing the administration's initial education budget and the Senate compromise budget. We view the current budget process as it has played out in the past few weeks as effort to eliminate the critical role that your committee plays in appropriating the levels in the programs and the authorizing committee's role through authorization. USAA has been working to increase the budget ceiling for function 500 to ensure that student aid programs which provide basic access to postsecondary education are not going to be cut and will, in fact, receive necessary increases.

USAA recognizes that a freeze is a cut since student costs in tuition and living, as everyone across the country, are increasing. Education funding deserves to be a high priority. USAA urges its student aid program to receive at a minimum a level of current services funding which would not deny any student eligible for a program for funds received this year.

Today my comments will focus on the fiscal year 1986 administration request and the student aid programs that USAA views as the most critical in diminishing the barriers to postsecondary education for low- and moderate-income students, the Pell grants, TRIO, and college work/study.

As we all know, the original budget request would have cut 25 percent of $2.3 billion out of the student aid programs. At the same time of increasing student contributions, there has been a discussion of a subminimum wage for youth, which we do not support. Last week in the Senate, we supported the Chiles and Byrd amendments on the floor of the Senate which would have increased programs with inflation and provided smaller cuts in the GSL Program.

We also sort the Stafford amendment and are very pleased that these levels had your support and other support for education were included in the budget resolution as opposed to the massive initial cuts or the compromise levels. In addition to the budget levels for fiscal year 1986, USAA is very concerned about the Pell grant maximum levels and the percentage of cost that can be covered.

Some students have received a Department of Education letter dated April 15 stating that their SAR form, which they need to know what their aid will be, will be delayed pending congressional action. It is now May 15, and some of these students have received no new information. The semester will soon be over, and for many students, there is a level of uncertainty about their future educational plans.

USAA urges the subcommittee to take decisive and prompt action to ensure that students receive the $2,100 maximum award at 60 percent of the cost that was signed into law in November 1984. Without this increase in the percentage of costs covered, the lowest income students at moderate cost instututions across the country will not receive any increase in the Pell award. Today, a Pell grant only covers 33 percent of the average cost of attendance, while in 1979, the maximum Pell covered 46 percent of costs.

In the interest of time, I am just going to summarize. Basically, on Pell grants, we are urging a $2,300 maximum covering 60 percent of cost for fiscal year 1986. For college work/study, we recognize the administration had requested $850 million. We do not support the increased funding in Pell work/study at the expense of all the other grant programs, and we would urge an increase of about $50 million to expand some of the job opportunities on campus. In the TRIO programs, the USAA urges an fiscal year 1986 level of $200 million. This increase of $25.1 million would ensure that TRIO programs receive the current services and smaller increases to minimize the damaging effects of the TRIO funding reduction of 1980. We have worked very hard with this program over the years.

Again, level funding or freezes mean real cuts for programs by providing services to students. We urge the subcommittee to take the lead and to continue to make sure that we do see some increase and particularly in the means-tested programs for student aid.

These are difficult times for all segments of the economy, but for students seeking education, the effects of a decision this week or month will have long-term and lifelong consequences.

### PREPARED STATEMENT

I thank you again for this opportunity to express USAA's experience on the appropriation levels and also urge your committee to take swift action in dealing with the Pell grant maximums since that is a question affecting students for this fall in addition to the programs for next year. I thank you.

[The statement follows:]

## STATEMENT OF KATHERINE OZER

Mr. Chair and members of the Subcommittee, I appreciate this opportunity to appear before you today to present our views on the Fiscal Year 1986 appropriations for Title IV Student Financial Aid programs. My name is Katherine Ozer and I am the Legislative Director of the United States Student Association which represents students attending over 400 postsecondary institutions across the country.

USSA's major commitment and primary goal is to help ensure student access to a postsecondary education. USSA defines access as not only the availability of and information on student aid but also the full enforcement of civil rights laws on campus. USSA is working towards the restoration of Title VI, Title IX, and Section 504 since students' basic rights and protections under these laws have been in jeopardy since the Supreme Court decision in February 1984.

Money, budgets, and debt have been at the top of the student agenda as well as the federal agenda. Concern over rising living costs, tuition costs, loan debts, and 25% proposed cuts have dominated student concerns all semester. The theme of money has also played a role in the debate over where a campus is investing its funds. The term "divest" was inappropriately used to characterize the effect of the severe budget proposals on students across the country, yet it is a term that is becoming more familiar to students and citizens across the country in the context of South Africa.

USSA has been in the forefront opposing the Administration's initial education budget and the Senate "Compromise" budget. We view the current budget process as an attempt to eliminate the critical role that your Committee plays in appropriating the levels for the individual programs and the authorizing Committees' role through Reauthorization. USSA has been working to increase the budget ceiling for Function 500 to ensure that student aid programs which provide basic access to a postsecondary education are not going to be cut and will in fact receive necessary increases. USSA recognizes that a freeze is a cut since student costs of tuition and living are increasing. Education funding deserves to be a high priority. USSA urges that student aid programs receive at a minimum a level of current services funding which would not deny any student currently eligible for a program the funds received this year.

Today, my comments will focus on the FY 1986 Administration request and the student aid programs that USSA views as the most critical in diminishing the barriers to postsecondary education for low and moderate income students - Pell Grants, TRIO, and College Work Study.

## FY 1986 ADMINISTRATION BUDGET

The initial budget request sent to Congress on February 4th called for a 25% cut or reduction of $2.3 billion for student aid. This budget proposal signalled to students and parents in very clear terms the lack of support from this Administration for a federal role in helping ensure access and choice in a post secondary institution. Funding for student aid comprises less than 1% of the federal budget and in real dollars has lost its purchasing power on college campuses by over 20% since 1980. The budget called for a combination of caps, eligibility requirements, and family income ceilings which would affect almost every student currently receiving student aid and eliminate funds for close to 2 million students. In addition to the restructuring proposals, the budget request called for an $800 self-help prior to the receipt of any grants or loans. At the same time sub-minimum wage proposals for 16-19 year olds were introduced with Administration support.

USSA supported the Chiles and Byrd Amendments on the floor of the Senate last week which would have increased Pell Grants with inflation and provided smaller cuts in the GSL program. USSA also supported the Stafford amendment and are pleased that these levels for education were included in the Budget Resolution as opposed the the massive initial cuts or the "Compromise" levels. In addition to the budget levels for FY 1986, USSA is very concerned about the Pell Grant maximum levels and the percentage of cost that can be covered. Some students have received a Department of Education letter stating that their SAR form will be delayed until after April 15th. It is now May 15th and those students have received no new information. The semester will soon be over and for many students there is a level of uncertainty about their future educational plans. USSA urges Subcommittee to take decisive and prompt action to ensure that students receive the $2100 maximum award at 60% of cost that was signed into law in November 1984. Without this increase in the percentage of costs covered, the lowest income students at moderate cost institutions across the country would not receive any increase in the Pell award. Today a Pell Grant only covers 33% of the average cost of attendance while in 1979, the maximum Pell covered 46% of costs.

## USSA RECOMMENDATIONS FOR FY 1986 PROGRAMS

### PELL GRANTS

USSA requests that the Pell Grant program be funded at a level enabling a $2300 maximum covering 65% of costs for FY 1986. This level is needed to minimize the impact of the increasing costs for students on campus - students at all types of institutions are facing increased tuition costs of approximately 10% - and to restore the losses over the past four years. USSA strongly supports Pell as the foundation program of student aid upon which other work, loan, and grant programs are based. Pell Grants are targeted to those students who are most dependent on federally supported student financial assistance to attend a postsecondary institution.

COLLEGE WORK STUDY

USSA recommends an increased appropriation for the CWS program but is very concerned about both the amount and the justifications for the Administration's request for $850 Million. First, the increased funds in the Administration's proposal do not equal the losses in the other campus based programs slated for elimination under the proposal. Second, there is no guarantee that additional jobs are available on campus or in the community to enable a student to fulfill the maximum CWS award. USSA is requesting an increase for CWS of $50 million. We feel that this amount will more reasonably address the demand for increased jobs on campus yet will not impose a transfer from grants to work for a significant number of students creating an untenable situation.

TRIO PROGRAMS - SPECIAL SERVICES FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

USSA recommends a FY 1986 TRIO appropriation of $200 million. This increase of $25.1 million would ensure that TRIO programs receive current services and some small increases to minimize the damaging effects of the deterioration of TRIO funding since 1980.

TRIO programs have a long history of providing educationally and economically disadvantaged students with access to education. Last year the five programs that comprise TRIO provided services to 505,000 students which is less than 10 percent of the eligible population. Studies have clearly demonstrated the effectiveness of TRIO services in the retention and graduation rates of students. Today, 20 percent of the Black and Hispanic students who enter college have participated in some aspect of the TRIO program. These programs provide students with a realistic opportunity to escape the cycles of poverty and achieve the upward mobility and training provided by a postsecondary education. Our request for $200 million is the level required to restore the program to its 1980 level of services. This will reverse the trend of decreasing numbers of students from low income backgrounds attending postsecondary institutions. The Administration's proposal to cut TRIO funding by 53% would eliminate services for over 380,000 current TRIO students.

Level funding or freezes mean real cuts for programs providing services to students. USSA urges this Subcommittee to take the lead in the Senate as you have done before in signalling to students across the nation that there is a real commitment to ensure that postsecondary education remains open to all students regardless of race, sex, disability, national origin, or economic status.

These are difficult times for all segments of the economy, but for students seeking an education, the effects of a decision this week or month will have long term and life long consequences.

I thank you for this opportunity to express USSA's position on the FY 1986 appropriations levels for student financial aid. I also urge your Committee to take swift action in approving a supplemental for Pell Grants that will fund the $2100 Pell Grant maximum at 60% of cost for FY 1985. We appreciate your continued support in recognizing the importance of continued investment in education for all of our futures. Thank you.

Senator WEICKER. I thank you very much for your testimony, and the committee will now stand in recess to vote.

Senator SPECTER. Before you recess, can I say one word?

Senator WEICKER. Of course, you can.

Ms. OZER. We appreciate your support last week.

Senator SPECTER [presiding]. I wanted to be here to lend my support to the distinguished chairman, Senator Weicker. Education has very many friends on this subcommittee, and there is no higher priority in our society than education, and those of us on the subcommittee understand that.

I think we took a step in the right direction last week by reinstating a good many education funding goals in the Senate budget. I don't think we are quite there yet, but there are many of us here who will continue to work on it. I just wanted to make that brief comment.

Ms. OZER. We represent the Commonwealth Organization of Students in Pennsylvania, whom I know you have worked very closely with.

Senator SPECTER. Thank you. We appreciate your work, and Senator Weicker said we have a vote on. Thank you.

Ms. OZER. Thank you.

Senator SPECTER. The committee will stand in recess until the vote is completed.

[A brief recess was taken.]

## STATEMENT OF MYRON B. THOMPSON, KAMEHAMEHA SCHOOLS/BISHOP ESTATE, HONOLULU, HI

### PREPARED STATEMENT

Senator INOUYE [presiding]. The hearing will please come to order. Our next witness is Mr. Myron B. Thompson, secretary of the board of trustees of the Kamehameha Schools.

Mr. THOMPSON. Thank you. It is good to be here and there are a lot of good programs.

I am here for four reasons, Senator: To thank you for your continuing support to the people of Hawaii; to tell you about the progress we have made since our last conversation when the committee held hearings in January 1984; and to seek your continued support of programs in progress; and No. 4, to inform you about programs for which we seek authorization and subsequent funding.

Mr. Chairman, I submitted a detailed report.

Senator INOUYE. Without objection, your full statement will be made a part of the record.

[The statement follows:]

## STATEMENT OF MYRON B. THOMPSON

Good Afternoon Mr. Chairman and members of the committee. My name is Myron Thompson. I am here for four reasons:

. to thank you for your continuing support for the people of Hawaii, particularly Native Hawaiians,

. to let you know about our progress since our last conversation in January 1984 - There has been tremendous movement, thanks to you and your committee.

. to seek your continued support of programs in progress

. and to inform you about programs for which we seek authorization during this session which need subsequent funding.

Mr. Chairman, I have submitted a more comprehensive overview of both the appropriations and authorization needs of Native Hawaiians to your committee.

As to our progress. Because of your assistance, we have received a grant from the Maternal and Child Health Service and are actively beginning the implementation of Parent-Child Development Centers, the ones you and I discussed in 1984.

Funding has also been secured from the National Institute of Education for the Pacific Educational Research Program.

The passage last fall of the Carl D. Perkins Vocational Education Act of 1984 was a major milestone toward needed job skills training for Native Hawaiians. This legislation included set-aside funding for both Native Hawaiians and Indians.

In addition, other initiatives such as the Library Services and Construction Act Amendments have been undertaken, which are no less significant.

The programs are starting off well. Continued funding is crucial for results to occur, and we ask that you give consideration to these programs when making your recommendations.

As to **CURRENT PRIORITIES**, early intervention for Hawaiian children through the Maternal Child Health Service continues to be prime. We urge you to once again highlight in your report language the importance of this program in moving Native Hawaiians to self-sufficiency through early preventative programs.

Attention also needs to be directed to the existing health problems of Native Hawaiians, particularly in Alchohol Abuse and Cancer. Report language requesting the National Institute of Alchohol and Alchohol Abuse and the National Institutes of Health to give priority to the health problems of Native Hawaiians would be most helpful.

In the area of education, priorities remain with vocational education and library services; authorizations which were introduced by Senator Stafford last Congress. Continued support of these programs by your committee is appreciated.

A new priority is support of gifted and talented programs for Native Americans, including Hawaiians, for which authorization has been proposed in S. 121, introduced by Senators Inouye and Matsunaga. Funding for this bill provides for programs which identify gifted and talented Hawaiians and locates appropriate programs to service their needs.

A final priority is in the area of higher education where there is need for financial aid and other programs designed to assist Hawaiians in attending and completing degree programs in institutions of higher education. Should the Higher Education Act be reauthorized, we hope that amendments to this regard will be included, and subsequent appropriations by your committee follow.

I would also like to request continued support for the Office of Native American Programs in the Department of Health and Human Services.

Mr. Chairman, it's exciting and promising

. to see the progress which has been made to date,

. to realize that programs are actually underway,

and

. to seek your continued support for those programs which are in place,

. and to ask your consideration of the following proposed programs which will enable Native Hawaiians to become self-sufficient:

- Alchohol Abuse Programs
- Cancer Research
- Gifted and Talented
- Higher Education Financial Aid and Support

Mr. Chairman, to you and your committee, we again say Thank you and Aloha.

Mr. THOMPSON. As to our progress, because of your assistance, we have received a grant from the Maternal and Child Health Service and are beginning implementation of the parent-child centers. These are the centers we discussed in 1984.

Funding has also been secured from the National Institute of Education for the Pacific Educational Research Laboratory. Unfortunately, Senator Hatfield has left, but I wanted to thank him for his efforts for assisting us through the Northwest Regional Laboratory.

The Charles D. Perkins Education Act of 1984 provides needed job skills training for native Hawaiians and Indians.

In addition, the other initiatives, such as the Library Services and Construction Act amendments have been undertaken.

The programs are starting off quite well, and the continued funding is crucial for results to occur.

As to our current priorities, early intervention for Hawaiian children through the Maternal Child Health Service continues to be most important in our minds. We urge you to highlight in the report language the importance of this program in moving native Hawaiians to self-sufficiency.

Attention also needs to be directed to the existing health problems of native Hawaiians, particularly in alcohol abuse and cancer. Report language requesting the National Institute of Alcohol and Drug Abuse and the National Institutes of Health to give priority to the health problems of native Hawaiians would be most helpful.

In the areas of education, the priority areas remain with Vocational Education and Library Services; authorizations which were introduced by Senator Stafford last Congress. Continued support of these programs by your committee is appreciated.

A new priority is support of gifted and talented programs for native Americans. Authorization has been presented in Senate bill 121 introduced by our Senators Inouye and Matsunaga. Funding for this bill provides for programs which identify gifted and talented Hawaiians and locates appropriate programs to service their needs.

A final priority, if the Higher Education Act is reauthorized and includes programs for native Hawaiians. Subsequent appropriations are needed.

I would also like to request continued support for the Office of Native American Programs in the Department of Health and Human Services.

Mr. Chairman, it is exciting and promising to see the progress which has been made to date; to realize that programs are actually underway; to seek your continued support for those programs which are in place; and to seek your consideration of the following proposed programs: alcohol abuse programs; cancer research; gifted and talented; higher education financial aid, and support.

Mr. Chairman, to you and your committee, we again thank you and say aloha.

Senator INOUYE. Mr. Thompson, on behalf of the committee, I am pleased to receive your report, and especially excited to note that progress has been made in many sectors. I would like to also, on behalf of the committee, assure you that the report language you have suggested will be made; your programs on alcohol abuse, cancer research, gifted and talented will be often not only our most serious consideration, but very likely our support.

Mr. THOMPSON. Thank you very much, Senator, and we thank you for your consideration.

## STATEMENT OF EDWARD J. LISTON, AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES

Senator INOUYE. Our next witness is Mr. Edward J. Liston of the American Association of Community and Junior Colleges.

Mr. LISTON. Thank you, Mr. Chairman.

Senator INOUYE. Good morning, Mr. Liston.

Mr. LISTON. Mr. Chairman, my full statement can appear in the record.

Senator INOUYE. Without objection, it will so appear, sir.

Mr. LISTON. Thank you. I am here representing three groups that share a common goal and united missions, the American Association of Community and Junior Colleges, of which I am a member of the board of directors; the American Association of Community College Trustees; and the Joint Commission on Federal Relations of these two associations. I as president of New England's largest community college, the Community College of Rhode Island.

On behalf of the community colleges across the country, I would like to thank you for the contribution to educational access that you made when you raised the cost of allowance on Pell grants to 60 percent. For many of the needier students who primarily attend public colleges and universities, the percentage of cost that a Pell grant can cover may be a crucial factor in determining whether a college education is an attainable goal.

Equally important was your decision to raise the $1,600 cost of attendance cap for commuting students by $500. Together, these two actions provide a tremendous service in terms of access to the largest population in higher education, students who commute to college.

Pending authorization of the Higher Education Act and molding of a new Pell grant policy, you can continue to serve the interests of our neediest students by maintaining the 60-percent cost allowance and by matching any further increases in the maximum Pell grant with like increases in the cost cap on commuting students.

We consider Pell grants to be the foundation of student financial aid. Combined with appropriate self-help, a Pell grant should give the neediest student an opportunity to attend a local community college. Yet college costs have risen rapidly and student aid funding has not kept pace. As a result, the purchasing power of student aid has declined, and most importantly, the concept of Pell grants as an access program has been seriously diminished. Additional slippage could turn student financial aid into a middle-class program.

In developing institutions, community colleges have made effective use of title III grants. These funds have enabled us to keep pace with larger, more affluent institutions in meeting the changing needs of our constituencies.

The Community College of Rhode Island is now in the last year of a 3-year, $600,000 title III program which has enabled the college to develop a comprehensive computer literacy program and to improve organizational development and long-range planning efforts. We urge you to at least maintain current funding levels for the title III program.

Mr. Chairman, the Perkins Vocational Education Act is a special concern. The Carl Perkins Act points vocational education in important new directions, particularly parts C and E of title III which support adult training and retraining and educational partnership with high technology industries.

Initial funding, $20 million for part C and $20 million for part E, will dramatically expand vocational training for jobs in the private sector. This kind of investment in job training and school-industry partnerships will be repaid many times over with Federal tax revenues.

In conclusion, let me say that I understand the desperate need we all have to bring Federal funding under control. We are now aware that the budget deficit that faces our Nation is a matter of great concern, but there is nothing more basic to the health, welfare, and defense of the Nation than an educated, employable populus.

I believe that the expenditures for higher education that I have discussed today represent the most responsible type of investment in America's future, in the American student, and in the American worker.

Thank you for allowing me to express my views.

Senator INOUYE. The students of the United States and colleges and universities owe a lot to the chairman of this subcommittee, Senator Lowell Weicker from Connecticut, because speaking as a member of this committee, I can say that without his leadership and his insight and dedication, these student aid programs that you have spoken of would be programs of the past. I'm sorry that he is not here to receive your gratitude, but he has other activities.

I wanted you to know that as one member of this committee, I look upon him as Mr. Educator of the United States.

Mr. LISTON. I do, too, and I'm sorry that he had to leave, because both he and Senator Pell, of course, have been our New England champions of Federal student aid, and Senator Weicker may not recall this, and I won't have a chance to speak with him, but he was my commencement speaker in 1975, I believe, in Connecticut, when I was president of an institution there, and at that time, he had just finished playing a doubles match with Spiro Agnew.

Senator INOUYE. Who won?

Mr. LISTON. There was a lot of publicity in the paper, because Spiro was serving and Senator Weicker was playing the net and Senator

Weicker got hit in the back of the head with the serve. When he came to our college for the commencement address, he was wearing a hard hat—[laughter]—the uniform that one wears when they play tennis with Spiro Agnew. You might remind him of that, Mr. Chairman, if you get a chance.

Senator INOUYE. It will be on the record. [Laughter.]

She is taking it down over here.

Mr. LISTON. Thank you very much.

### PREPARED STATEMENTS

Senator INOUYE. Thank you, sir. Your statement will be included in the record at this point along with other statements for the record on student financial assistance.

[The statements follow:]

## STATEMENT OF EDWARD J. LISTON

I'd like to thank you for the opportunity to speak to you today about a subject of great concern to everyone associated with our nation's colleges and universities--federal appropriations for higher education.

I am here representing three groups that share a common goal and united mission: the American Association of Community and Junior Colleges, of which I am a member of the Board of Directors; the Association of Community College Trustees; and the Joint Commission on Federal Relations of these two Associations. I am the president of New England's largest community college, the Community College of Rhode Island.

Community colleges have a substantial impact on the health and welfare of this country. There are 1,221 community, technical and junior colleges, which enroll as many as five million students in credit programs each year. Over 60%, or 3.3 million, register in occupational programs, and 1.5 million are enrolled in transfer programs that lead to baccalaureate degrees. Another 3.8 million students enroll in non-credit programs. One-third of these non-credit offerings upgrade or enhance students' job skills and make them more employable.

Our graduates contribute significantly to the American economy.

Community colleges enroll more than half of the minority undergraduates in this country. Forty-three percent of black undergraduates, 54 percent of Hispanic undergraduates and 43 percent of Asian undergraduates attend two-year postsecondary institutions.

Community colleges pride themselves on being able to offer an opportunity for quality education to people who would not otherwise be able to attend college. We are accessible institutions. Our tuition costs are low--in 1984 the national average for public two-year colleges was $560 for tuition and fees. And because we have a commitment to providing special services for students who need them, we give many students an opportunity for educational success that they could not find elsewhere.

At the Community College of Rhode Island, we serve over 12,000 students. Like students at similar colleges across the country, many rely heavily on federal student assistance programs. Without reasonable support, these students would be deprived of an opportunity for a college education and more meaningful career choices.

For this reason, Mr. Chairman, we believe that adequate funding for federal student assistance and vocational programs are of critical importance.

On behalf of the community colleges across the country, I'd like to thank you for the contribution to educational access that you made when you raised the cost allowance on Pell grants to 60 percent. For many of the needier students, who primarily attend public colleges and universities, the percentage of cost that a Pell grant can cover may be a crucial factor in determining whether a college education is an attainable goal. Equally important was your decision to raise the $1,600 cost of attendance cap for commuting students by $500. Together these actions provide a tremendous service in terms of access to the largest population in higher education--students who commute to college.

Pending reauthorization of the Higher Education Act and molding of a new Pell Grant policy, you can continue to serve the interests of our neediest students by:

1. Maintaining the 60 percent cost allowance;

2. Matching any further increases in the maximum Pell Grant with like increases in the cost cap on commuting students.

It is critical that the Pell Grants continue to sustain up to 60% of the cost of attendance, the level your subcommittee determined for FY '85 appropriations. To accomplish this, we will need a supplemental appropriation of $269 million (CBO estimate) plus an additional $398 million to meet shortfalls from previous years. If the

Administration's efforts to reduce the Pell Grant maximum and the cost allowance percentage from the newly established limits are successful, the American Council on Education estimates that 260,000 students will lose their entire Pell Grant assistance, and all recipients of awards under $1,200 will sustain dramatic grant reductions.

We therefore urge that you hold firm in your original intent to fund the Pell grant program at a reasonable level. About 850,000 community college students receive Pell Grants. The average award is for $900. This program provides a helping hand--not a hand-out.

We consider Pell grants to be the foundation of student financial aid. Combined with an appropriate family contribution, a Pell Grant should give even the neediest student an opportunity to attend a local community college. Yet college costs have risen rapidly and student aid funding has not kept pace. As a result, the purchasing power of student aid has declined and, most importantly, the concept of Pell Grants as an access program has been seriously diminished. Additional slippage could turn student financial aid into a "middle class" program.

In 1970, the maximum Pell grant covered about 46 percent of average college costs. In 1984, it covered only 31 percent. These awards make it possible for many individuals to reap the benefits of a college education. At the Community College of Rhode Island alone, nearly $2 million was awarded in Pell Grants to 2,651 students.

A $100 increase in the Pell Grant maximum for FY '86 would enable us to retain the 2.9 million students who are currently eligible. This support will enable them to complete their studies, obtain successful employment and ultimately contribute positively to our economy.

Other concerns we have are as follows:

College Work Study

Many community college students rely on funds they earn from work study to help sustain them while they complete their programs. Last year, 286 CCRI students were awarded $260,000 in federal College Work Study funds. We recommend that you increase this program by 33 million to bring program funding to $625 million. This increase would provide 47,000 new opportunities for students to help themselves while pursuing their studies.

### Special Programs for the Disabled

Community Colleges have a strong commitment to providing educational access to disabled and disadvantaged students. The Community College of Rhode Island offers supportive services to students who have specific problems which may interfere with success in college--students who have academic potential but are limited by socio-economic factors, a disability, or limited English skills. The CCRI ACCESS program, federally funded at $105,000 last year, makes counselors, peer advisors, reading and writing specialists, tutors, interpreters and note-takers available to students with special needs.

We recommend a $15 million increase in allocations for TRIO programs -- Upward Bound, Talent Search, Special Services, Educational Opportunity Centers and staff training.

### Developing Institutions

Community colleges have made effective use of Title III grants. These funds have enabled us to keep pace with larger, more affluent institutions in meeting the changing needs of our constituencies. CCRI is now in the last year of a three year, $600,000 Title III program which has enabled the college to develop a comprehensive computer literacy program and to improve organizational development and long range planning efforts.

We urge you to at least maintain current funding levels for this program.

### Perkins Vocational Education Act

The Carl Perkins Act points vocational education in important new directions, particularly Parts C and E of Title III, which support

Adult Training and Retraining, and Educational Partnerships with high-tech industries. Initial funding--$20 million for Part C and $20 million for part E--will dramatically expand vocational training for jobs in the private sector. This kind of investment in job training and school industry partnership will be repaid many times over with federal tax revenues. This Act will yield improvement in the skill level, the size and the productivity of the American workforce.

In conclusion, let me say that I understand the desperate need we all have to bring Federal spending under control. We are all aware that the budget deficit that faces our nation is a matter of great concern. But there is nothing more basic to the health, welfare and defense of a nation than an educated, employable populace. I believe that the expenditures for higher education that I have discussed today represent the most responsible type of investment in America's future, in the American student and in the American worker.

Thank you for allowing me to express these views today.

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## STATEMENT OF NATIONAL COALITION OF INDEPENDENT COLLEGE AND UNIVERSITY STUDENTS

Mr. Chairman and Members of the Subcommittee, I am Dee ahan, Executive Director of the National Coalition of Independent College and University Students, also known as COPUS. The Coalition, now in its tenth year, is a national student organization based in Washington, D.C. with chapters on college and university campuses nationwide. We thank you for this opportunity to testify on the Fiscal Year 1986 Federal Budget in regard to student financial assistance programs.

For the past five years there have been initiatives on the part of the Reagan Administration to reduce student aid funding. Again this year, the Administration has proposed massive cuts in funding for student financial assistance programs as well as the consolidation and/or elimination of some student aid programs. Our concern is that the existing multi-faceted and complementary student aid programs continue to be funded at levels that will enable them to effectively address their intended purpose of equalizing students' access to the post-secondary institutions which best serve their abilities and aspirations regardless of their economic background. By assuring that individuals have the opportunity to pursue the education best suited to their abilities, the government is making an investment in the future economic well being of the nation.

The existing grant, work-study, and loan programs have helped millions of students gain access to and complete a post-secondary education. While we recognize and appreciate the concern over the growing Federal deficit and the many demands being placed upon limited Federal resources, we do not believe that the Federal government can afford to reduce its role in equalizing educational opportunity. Therefore, we recommend the following appropriation levels to effectively meet the needs of college and university students and to ensure an adequate and balanced system of Federal student financial assistance.

PELL GRANTS

Since 1979, when the maximum grant covered about 46% of the average college costs, the purchasing power of the Pell Grant has eroded. In FY 1984, the maximum grant covered only about 31.5% of the average college costs. Even with the increase provided in FY 1985, the maximum grant represents only 33% of the average college costs and only 20% of the average costs for independent college students. In light of this fact, we recommend increasing the Pell Grant maximum $100. That would allow awards to maintain their current value.

SEOG (Supplemental Educational Opportunity Grants)

The campus based programs are of crucial importance to our membership, students attending independent colleges and universities. These programs, designed to bridge the gap between the student's expected family contribution and the actual cost of an institution and to supplement the basic Pell Grant, are sensitive to college costs as well as a student's available financial resources. To assure that lower and middle income students will continue to have access to independent institutions, it is vital that grant aid through the SEOG program not be decreased. To reduce funding for or to eliminate the SEOG program would mean that many needy students whose abilities and aspirations led them to seek an education at one of the higher priced independent institutions would no longer be able to pursue such an education. We recommend at $27 million increase for the Supplemental Grant Program. This would bring the program to the $440 million the law requires when the Pell Grant

DIRECT LOANS

COPUS is deeply concerned over the Administration's proposals to cut funding for the Direct Loan Program. These loans offer low interest long term credit to students who, in many cases, would not be able to obtain a loan from a commercial lender. Like the SEOG Program this program affords another avenue of relief to those students who, for whatever reasons, still need assistance in financing their post-secondary education after they have received other funding through grant and/or work study programs. Administered by institutions, the Direct Loan Program provides schools with flexability in aid packaging to best meet the needs of the individual student. We recommend a $96 million increase in the Direct Loan program. This would restore the program to the $[illegible]86 million level required by law when the Pell Grant maximum exceeds $2[illegible]0.

SSIG (State Student Incentive Grants)

The SSIG program provides incentives for states to increase their financial aid to needy and middle income students. The Federal government can not and should not assume the entire burden of financial aid funding for our nation's college and university students. Increasing funding for the SSIG program will encourage states to provide their share of aid dollars. It is not true that all Federal SSIG funds are substantially overmatched. In this regard, there is an enormous disparity among the states. Elimination of or serious reducations in funding for the program would have a significant effect on need base student aid funding. A recent study of the Government Accounting Office found that should the SSIG program be eliminated, at least a dozen states would terminate their need based programs. In order to avoid serious dislocation of students, it would be necessary to increase funding for other Federal student aid programs. That same GAO study also reported that termination of the program would reduce awards for needy students and thousands of students would lose the opportunity for post-secondary education. Considering those findings, we recommend that the SSIG program be funded at $8[illegible] million.

CWS (College Work Study)

We recommend that the College Work -Study program be maintained as a seperate program and be funded at the level of $625 million, an increase of $33 million. This would provide an additional 47,000 self help opportunities to students.

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SPECIAL PROGRAMS FOR THE DISADVANTAGED

The Administration seeks to cut funding for these programs in half. Already these programs--Upward Bound, Talent Search, Special Services, staff training grants, and funding for Educational Opportunity Centers -- serve only one in ten of the eligible students. These programs have been proven effective and without them, the number of low income students entering college will decline. We recommend an increase of $15 million to provide current services funding for these programs.

GUARANTEED STUDENT LOANS

The Administration has estimated GSL costs lower than CBO projections by assuming program changes which would require changes in the authorizing legislation. We believe that such program changes should be considered during the upcoming reauthorization of the Higher Education Act.

As the costs of attaining a post-secondary education rise, there is a growing need for the multiple resources currently provided by the complimentary student assistance programs. It is in light of this growing need that we make our recommendations. We believe that these proposals outline a means of assuring balanced educational opportunities for all students. Briefly, our recommendations are: a $100 increase in the maximum Pell Grant award; $440 million for SEOG; $286 million for Direct Loans; $85 million for SSIG funding; $625 million for College Work-Study; and current services for Special Programs for the Disadvantaged. We thank the Subcommittee for this opportunity to submit our proposals.

## HIGHER EDUCATION

### STATEMENT OF REV. WILLIAM L. GEORGE, S.J., SPECIAL ASSISTANT TO THE PRESIDENT OF GEORGETOWN UNIVERSITY

Senator INOUYE. Our next witness is the Reverend William L. George, special assistant to the president of Georgetown University.

Father, it is always good to have you, sir.

Reverend GEORGE. I will let one of my students sit with me, if I may, Brett Scharffs; he is from Utah. We pick them up from everywhere at Georgetown.

Mr. Chairman and members, I am Father George, special assistant to the president of Georgetown University. We would like to ask the committee if it would consider continuation of the college housing program at at least the $40 million level of last year, which you released the funds for. It doesn't require an appropriation. It does require release of the loan fund; and look into the possibility of perhaps there might be more available since there was the early retirement of loans by many of the colleges and universities and the Department received about $190 million last year and expects about $113 million in addition to the usual type of involving funds this year.

My favorite topic in higher education is facilities, and last year, this committee provided funds for the higher education academic facilities. Among facilities, the greatest need for higher education is the renovation of old academic facilities. I would ask the committee if they would consider doing that again this year and permit the schools to compete for that.

It is extremely important, and I remember about 3 years ago, Time did an article on it entitled "The Crumbling Halls of Ivory." At that time, it was about a $4 billion problem, and I don't think it has gotten any better.

Finally, I do serve on the board of trustees of WETA, the public broadcasting station, the education broadcasting station in Washington. I thank the committee for its support, and I hope you continue to maintain the quality in the academic mission of public broadcasting. We really need it, and my sense is that if we don't, the quality of public broadcasting will decrease.

Brett is a fine example of the primary need of all higher education of student aid. He is fortunate to have a Walt Disney scholarship, but over 50 percent of his classmates are working their way through college at Georgetown. I guess about 80 percent of our students have to receive some form of financial aid. I was listening to Senator Weicker earlier, and I gather that the committee is very sympathetic to that need for college in higher education.

PREPARED STATEMENT

I want to say thank you on behalf of Father Healy, and please continue to slug away for us.

[The statement follows:]

## STATEMENT OF REV. WILLIAM L. GEORGE

Mr. Chairman and Members of the Committee, I am Father William L. George, S.J. Special Assistant to the President of Georgetown University.

We would ask the Committee to continue the release of $40,000,000 for new College Housing Loans in FY'86.

The positive impact the College Housing Loan Program has had on higher education is due to your Committee's foresight, and the higher education community is truly grateful. Since the programs inception in 1950, nearly $4 billion in loans have been awarded at favorable rates from a self-sustaining revolving fund that does not require annual appropriations. The College Housing Loan Program serves students in every state and is functioning competitively and efficiently. (Attachment 1) This revolving loan fund has housed students, created jobs, and generated additional capital from commercial sources. Federal support has been essential in helping Colleges and Universities meet housing needs, often acting to prime the pump in financing packages that have combined commercial loans, bond financing, and Federal loans.

Attachment 1

May 2, 1985

### COLLEGE HOUSING AND ENERGY CONSERVATION PROGRAM - FY 84

| | | |
|---|---|---|
| Applications Received: | Housing | 152 |
| | Energy | 37 |
| | Total | 189 |
| Amounts Requested: | Housing | $368,235,876 |
| | Energy | 20,069,199 |
| | Total | $388,305,075 |
| Awards Granted: | Housing (11 applicants) | $30,000,000 |
| | Energy (18 applicants) | $10,000,000 |

| STATE | NUMBER of REQUESTS | TOTAL DOLLARS |
|---|---|---|
| Alabama | 10 | 24,972,617 |
| Alaska | 1 | 3,500,000 |
| Arizona | 2 | 2,285,661 |
| Arkansas | 1 | 1,725,000 |

| STATE | NUMBER of REQUESTS | TOTAL DOLLARS |
|---|---|---|
| California | 14 | 26,802,856 |
| Colorado | 1 | 3,000,000 |
| Connecticut | 2 | 809,128 |
| District of Columbia | 3 | 500,583 |
| Florida | 8 | 18,373,347 |
| Georgia | 5 | 9,729,927 |
| Idaho | 1 | 345,500 |
| Illinois | 6 | 9,916,086 |
| Indiana | 1 | 1,713,723 |
| Iowa | 4 | 4,985,512 |
| Kansas | 1 | 481,800 |
| Louisiana | 4 | 12,300,830 |
| Maryland | 5 | 14,119,414 |
| Massachusetts | 10 | 24,116,520 |
| Michigan | 4 | 2,900,101 |
| Minnesota | 3 | 6,661,474 |
| Mississippi | 8 | 16,438,588 |
| Missouri | 7 | 7,400,464 |
| New Hampshire | 1 | 1,798,250 |
| New Jersey | 8 | 20,325,396 |
| New Mexico | 3 | 4,129,474 |
| New York | 18 | 46,082,421 |
| North Carolina | 5 | 7,102,310 |
| North Dakota | 1 | 3,000,000 |
| Ohio | 8 | 10,847,206 |
| Oklahoma | 4 | 4,475,877 |
| Pennsylvania | 5 | 9,451,170 |
| Puerto Rico | 2 | 6,187,733 |
| Rhode Island | 1 | 3,500,000 |
| South Carolina | 5 | 14,669,453 |

| STATE | NUMBER of REQUESTS | TOTAL DOLLARS |
|---|---|---|
| Tennessee | 7 | 9,636,595 |
| Texas | 7 | 18,474.802 |
| Vermont | 3 | 6,386,198 |
| Virginia | 6 | 13,349,470 |
| Virgin Islands | 1 | 3,495,475 |
| Washington | 1 | 498,337 |
| West Virginia | 1 | 2,000,000 |
| Wisconsin | 5 | 4,735,682 |
| | | 388,334,447 |

The need for this program is evidenced by $388,000,000 worth of applications received for Energy Conservation and Housing loans last year, for an available $40 million in loan authorizations.

The $40,000,000 College Housing request does not appear to affect the Department's ability to meet obligated outstanding debt. By releasing $40,000,000 in new college housing loans of FY'85 and FY'86 funds, the Department will still have an excess of $124,000,000 by FY'86 and '87, which could be transferred to redeem outstanding certificates. The Department has stated that with a transfer of funds of $114,147,000 in 1985 they will have covered the full amount needed to redeem the outstanding participation certificates due in 1987 and 1988.

In a program such as College Housing that is largely self-sustaining in nature, the lion's share of program costs are for initiation and implementation. While savings can be realized by discontinuation, in a longer-run view it is not prudent to discontinue a program before its useful life cycle has expired, and need still exists.

Throughout the years of the programs administration, assistance has been limited to alleviating unusually severe, localized housing shortages and for supporting especially cost-effective energy conservation rehabilitation measures. We would ask that you please keep the College Housing loan program functioning at least at the $40 million level of last year's bill.

On behalf of our President, Rev. Timothy S. Healy, S.J., thank you for the opportunity to testify before this committee.

Senator INOUYE. I am certain that Chairman Weicker will do that. If he decides to slug, you will have the committee behind him, but as you know, the work of this committee is not universally supported throughout this country, and there are many, in fact, the majority of them, who don't quite understand the validity and the importance of the activities we support here. I think it shows up in the budget.

Reverend GEORGE. I'm afraid so.

Senator INOUYE. We just hope that people on the other end of Pennsylvania Avenue will realize that the strength of this country is not necessarily determined by the number of missiles we have. I think the moral, intellectual strength is just as important.

Reverend GEORGE. Thank you.

Senator INOUYE. You can count on our help, sir. You have old buildings?

Reverend GEORGE. Thank you. We do have a lot of old ones. We date back to 1789, you know.

Senator INOUYE. I see. We will do our best, then.

## STATEMENT OF EILEEN D. COOKE, ASSOCIATE EXECUTIVE DIRECTOR, AMERICAN LIBRARY ASSOCIATION AND DIRECTOR, WASHINGTON OFFICE

Senator INOUYE. Our next witness is Eileen D. Cooke, director of the Washington office of the American Library Association. Welcome, Ms. Cooke.

Ms. COOKE. Thank you Senator Inouye. It is a pleasure to have the opportunity to testify before you and to really voice our deep appreciation for what you and this committee has done in the past. We hope you will do it again. The American Library Association is a nonprofit educational organization representing about 40,000 members of librarians, trustees, friends of libraries, venders of library materials, and we believe that libraries are being asked to bear more than their fair share of financial burdens.

This year, for the fourth time in a row, the administration is requesting zero funding for the Federal Library Program under the Higher Education Act title II and the library services, the Construction Act, which, incidentally, was just signed into law for a 5-year extension by President Reagan just before the election this fall.

It seems particularly ironic for them to recommend zero funding once again.

Senator INOUYE. It is not ironic. It is done all the time.

Ms. COOKE. For 4 years in a row, we have had that experience. We thought it might be different this year with the new signature on the law.

The administration is also proposing to eliminate revenue for appropriations for the Postal Service, which provides reduced rates for educational institutions and libraries and free mailings for the blind and the handicapped. As you can imagine, this has tragic proportions, particularly for handicapped and blind people who will be deprived of such mailings. In many cases, they are retired people on fixed incomes and just simply can't afford to pay the postage for the services they have received in cooperation with the Library of Congress.

Also included on the zero funding list are the Higher Education Act title III, which I mentioned. This includes the College Library Resource Program, the training of librarians for the future, and many minority students have been helped, particularly by this program, and then the other programs that are of much concern about, the National Commission on Libraries and Science.

As a last page to my testimony, I have attached a summary showing ALA's recommendations for funding, and just as an overall message, I would say these figures represent the Congressional Budget Office amounts determined to maintain services at a current level.

Senator INOUYE. Without objection, the full statement and the summary will be incorporated.

Ms. COOKE. Thank you very much. I appreciate that. Not only will libraries have to deal with zero funding in special libraries programs, but the recent raise in telecommunications rates for libraries that use new technology, to a rather limited extent, but the private line charges are going up on an average of 22 percent as of April 27.

Libraries will also be hard hit in many instances by the elimination of Federal revenue sharing. As an example, the Philadelphia library received $4 million. This will have to be made up with increased tax support.

There are other libraries that don't receive library sharing, but we are dreading the domino effect as local officials are forced to siphon funds out of city services in order to replace those that will be lost for police, fire, and sewer services.

For many libraries, what amounts to a virtual avalanche of financial burdens will mean cutting staff and curtailing services to the public. Congressional support for these worthwhile programs has been strong in the past, and as I say, we hope that we can once again rely on this committee to maintain the commitment which you have shown so magnificently in the last several years.

These programs collectively have literally touched millions of lives for school children, people who use public libraries, as well as students at the higher education levels. I would just conclude by saying again that there are a number of programs, the literacy activities that libraries are involved in, and we thank you for your effort and wish you well in your deliberations.

Senator INOUYE. We will do our best.

Ms. COOKE. Thank you.

Senator INOUYE. How does the American library system compare with others on this planet?

Ms. COOKE. I think it is really a model. In fact, we are going to be having an international federation of libraries at our headquarters in Chicago this August. Many of the foreign visitors are particularly anxious to learn how our Federal Government helps support libraries.

In many cases, there is nothing that is comparable at all. In some of the countries abroad, they are beginning to, I think in Germany, beginning to look at something that I think might be comparable, but there really isn't anything that begins to measure up to what the United States does in terms of supporting education. I was very pleased to hear your statement to Father George, because we, too, think that education is the investment in this country's future.

### PREPARED STATEMENT

Senator INOUYE. Thank you.
Ms. COOKE. Thank you.
[The statement follows:]

## STATEMENT OF EILEEN D. COOKE

My name is Eileen D. Cooke. I am Associate Executive Director of the American Library Association and Director of its Washington Office. ALA is a nonprofit educational organization of over 40,000 librarians, trustees, educators, and other friends of libraries dedicated to the improvement of library services.

This year, libraries are being asked to bear more than their share of financial burdens. For the fourth year in a row, the Administration is requesting zero funding for the federal programs which support academic and public libraries, including the Library Services and Construction Act which the President signed just before the Fall election. The Administration's budget also eliminates the revenue forgone appropriation for the Postal Service which provides preferred rates for educational materials and materials for the blind and physically handicapped. Also included on the zero-funding list are the Higher Education Act Title II, Library Programs, and the National Commission on Libraries and Information Science.

Not only will libraries have to deal with these zero-funding levels, but recent telecommunications rate increases will strike the thousands of libraries which use private leased phone lines to promote efficient sharing of resources. Libraries will be hard-hit if Federal Revenue Sharing is eliminated. For example, the Philadelphia Public Library system receives about $4 million in revenue sharing from the city. For many libraries, this avalanche of financial burdens will mean cutting staff and curtailing services to the public. Congressional support for these worthwhile programs has been strong in the past and the library community appreciates this commitment. We ask that you reaffirm that commitment in FY 1986.

Both the Department of Education and the Librarian of Congress warn that our nation is entering a crisis in education caused by a lack of reading skills and an ineffective educational system. The former Secretary of Education, in his report, A Nation at Risk, illuminates deficiencies in our nation's educational process. The December 1984 report of the Librarian of Congress, Books in Our Future, affirms the importance of the printed word in our society and rings a national alarm by stating that at least 23 million adults lack the skill to deal with those words. They are illiterate. There is no American institution better able to address the problem of an under-educated and illiterate public than its libraries. These libraries are trying to provide better services to their communities despite financial stress.

Library Services and Construction Act. Libraries across the nation use Title I funds to provide services to citizens whom they could otherwise not afford to serve because of their special needs. Those reached include the illiterate, the blind, the aged, the physically handicapped, the institutionalized, the non-English speaking, and those in rural and urban areas. Literacy programs have been given great attention through LSCA I. In many states, libraries have given literacy education top priority. Los Angeles County enrolls an average of 1,000 adults each month at their Public Library Language Learning Centers. Kentucky library volunteers taught 1,092 adults to read in FY 1984. Without LSCA I, many of these adults might never have been reached by any literacy program.

LSCA I allows libraries to provide Job Information Centers for the community and special services to the elderly. A Books-by-Mail program in Florida supplies homebound senior citizens with materials they could not obtain on their own. The Connecticut Department of Correction uses Title I to provide library services to inmates. Each of the groups of people served by Title I is unique in their disadvantage, but the grants allow libraries to serve all of them as full members of our learning society.

LSCA II has been instrumental in stimulating local matching for the acquisition, building, and remodeling of library buildings. The need greatly exceeds the grants available and deserving projects must wait. In Maryland, only 5 of 22 requests could be funded. Many of those which could not be funded will be resubmitted this year and compete with new project plans. Funds are needed especially to renovate existing buildings for handicapped accessibility.

Through network agreements under Title III, libraries can save money by sharing their resources. Title III funds these networks which often use computer systems to share information. State and local governments may be reluctant to finance new projects, especially when the equipment used is located in another governmental jurisdiction. Libraries can use federal LSCA III funds to begin these sharing projects. Telecommunications lines are the link for many cooperative systems, but AT&T raised the cost of these lines on April 27. Library networks also depend upon the Postal Service for delivery of materials to other libraries. Elimination of the revenue forgone appropriation will increase the library book rate by 74 percent over the February 17 increase and 100 percent over what they paid a year ago.

LSCA III is needed to keep these cooperative library networks alive despite these other increases.

LSCA Title IV provides funds for Indian Tribes and Hawaiian Natives to develop and improve their library services. These groups often lack any kind of library service but Title IV, in its first year of funding, provides the first strong incentive for them to institute library services. FY 1986 funding would allow further development and improvement of library service to Indian tribes and Hawaiian Natives.

In addition, two newly authorized LSCA titles of critical importance deserve funding -- Title V Foreign Language Materials Acquisition, authorized at $1 million, and Title VI Library Literacy Programs, authorized at $5 million.

Higher Education Act Title II Library Programs. An adequate library collection is vital to effective higher education. A report by the Association of American Colleges states:

> As they advance, students should work increasingly with the primary materials of their concentration -- texts, documents, artifacts, substances, works of art -- and not with edited collections and laboratory codes. They should learn how to extract meaning from such materials, neither more nor less than the values and standards of the discipline allow.

A strong academic library is the most valuable source for these primary materials. As book prices increase, college and university libraries find it more difficult to purchase all the materials they need. Currently the average cost of a hard cover book is $29.81 and the average periodical subscription is $61.07. HEA II-A funding is desperately needed by many academic libraries to increase their resources and meet their students' needs. ALA and the Association of Research Libraries have recently proposed to the House Postsecondary Education Subcommittee a formula for targeting II-A grants to the neediest academic libraries.

In order to serve varied populations, libraries need more minority representation. It is difficult to encourage qualified individuals to enter a postgraduate program in a relatively low-paying profession without sources of financial assistance typical of other fields. The training provided by HEA II-B is instrumental in attracting qualified minorities to professional library education.

HEA II-B also provides the only coordinated program of research in library and information science. Research in librarianship develops methods of service to those who lack library services, investigates new uses of developing technologies, and adapts that most versatile tool, the computer, to new library applications. Research funding is an investment in the future of the library and in its ability to use technology to improve service to our information society.

The National Commission on Student Financial Assistance, in its 1983 study, Signs of Trouble & Erosion: A Report on Graduate Education in America, concluded that given the "urgent need," the current $6 million for the HEA II-C research library program is "pitifully inadequate." The report noted: "Although expenditures for library materials rose by 91 percent in the 1970s, enormous cost increases forced a reduction of 20 percent in growth of new volumes." Additionally, it said: "Far from preserving these collections for future generations, we are permitting them to deteriorate on the shelves. Acids used in paper since about 1850 are literally destroying irreplaceable collections." The $6 million which was inadequate in 1983 will buy even fewer materials in 1986, yet the collections still need improvement. HEA II-C support will enable many of them to build their collections and make them accessible to researchers everywhere.

Education Consolidation and Improvement Act Chapter 2 School Block Grant. Included in ECIA Chapter 2 is the former ESEA IV-B School Library Resources and Instructional Equipment program. Chapter 2 funds can be used to build strong school libraries where students develop lifetime skills. However, a recent survey by Phyllis Land Usher, administrator of the state school library program at the Indiana Department of Education, revealed a mixed picture. In some states, school libraries received more funds than they had under the categorical grants while other states reported that individual school libraries receive little or no federal funding under the block grants. Some libraries are losing funds to other eligible school programs.

As schools respond to the 1983 report of the National Commission on Excellence in Education, A Nation At Risk, they must consider the U.S. Department of Education's statements about the importance of school libraries. The Department's Libraries and the Learning Society Advisory Board, in its July 1984 report, Alliance for Excellence, recommends that elementary and secondary school curricula be strengthened by teaching the effective use of information sources, including libraries, and that every elementary and secondary school have quality library services and resources. These basic goals of excellence in education through strong school libraries require support at all levels, including federal assistance programs such as Chapter 2.

National Commission on Libraries and Information Science. In the past two years, NCLIS has remained in the Administration's budget recommendations even though other important library programs have been zeroed out. The Administration has recognized the importance of this small, cost-effective, independent agency and therefore kept it in the budget. This year, however, this agency has been zeroed out of the budget. In this "information age", NCLIS is of particular value to both Congress and the President for advice on library and information policy. As such policy focuses on issues created by new technologies, NCLIS will become even more important as a source of information on how these technologies affect libraries and information in the U.S. ALA strongly urges that the authorized level of $750,000 be appropriated for FY 1986 in order to maintain this small but important agency.

National Center for Education Statistics. ALA strongly recommends a current services appropriation for NCES of $9,200,000. Even with this level of funding, we do not expect the current problems of delayed collection and publication of statistics to be completely solved, but it is vital that this information be gathered. There is no substitute for accurate, objective, government sponsored statistics and NCES is the only source of such statistics on libraries. Such information allows our nation's libraries, as well as their private sector suppliers, to see trends developing and to make plans which meet the needs of citizens.

National Library of Medicine. Federal support of the National Library of Medicine and the Medical Library Assistance Act promotes the acquisition, organization, and dissemination of medical research results and health information. The growing amounts of biomedical information available today would quickly bury the researcher, clinician, or educator if it were not for the continued development and application of new information technology resulting in strong library systems. The NLM through its own research and basic medical library assistance programs provides national leadership which ensures that those providing health care to citizens have access to the information they need. For instance, the Regional Medical Library Network, consisting of 7 regional libraries, 100 resource libraries, and over 3,000 libraries in community health institutions, provides over 2 million documents to health professionals each year. Through resource sharing arrangements, this network has made extraordinary strides in providing health professionals, regardless of their location, with timely access to vast holdings of biomedical literature.

ALA supports the current services level of $59,000,000 for NLM and the Medical Library Assistance Act. However, in order to continue growth in library assistance programs and to permit continued research into new information handling technologies, an additional $6 million is needed.

Thank you for the opportunity to present the views of the American Library Association.

## SUMMARY OF
## AMERICAN LIBRARY ASSOCIATION APPROPRIATION RECOMMENDATIONS
### FY 1986 Labor-HHS-Education Appropriations

Library Programs: U.S. Department of Education

| | FY 1985 Appropriation | FY 1986 Authorization | FY 1986 Reagan Request | FY 1986 AIA Recommendation* |
|---|---|---|---|---|
| Library Services and Construction Act | | | | |
| Title I, Public Library Services | $ 75,000,000 | $ 80,000,000 | -0- | $ 78,500,000 |
| II, Public Library Construction | 25,000,000 | 50,000,000 | -0- | 26,200,000 |
| III, Interlibrary Cooperation | 18,000,000 | 25,000,000 | -0- | 18,800,000 |
| TOTAL LSCA | $ 118,000,000 | $155,000,000 | -0- | $123,500,000 |
| Higher Education Act | | | | |
| Title II-A, College Library Resources | -0- | 35,000,000 | -0- | unfunded pending need criteria |
| II-B, Lib. Training, Research and Development | 1,000,000 | 35,000,000 | -0- | 1,100,000 |
| II-C, Research Libraries | 6,000,000 | 15,000,000 | -0- | 6,300,000 |
| TOTAL HEA | $ 7,000,000 | $ 85,000,000 | -0- | $ 7,400,000 |
| Education Consolidation & Improvement Act | | | | |
| Chapter 2 El. & Sec. Educ. State Block Grant** | $ 531,909,000 | such sums | $531,909,000 | $563,900,000 |

** Forward funded consolidation of 28 programs including the former ESEA IV-B School Library Resources and Instructional Equipment program.

Other Programs

| | FY 1985 Appropriation | FY 1986 Authorization | FY 1986 Reagan Request | FY 1986 AIA Recommendation* |
|---|---|---|---|---|
| Nat'l. Commission on Libs. & Info. Sci. | $ 720,000 | $ 750,000 | -0- | $ 750,000 |
| Nat'l. Ctr. for Educ. Statistics (incl. library surveys) | 8,747,000 | 12,000,000 | $ 8,747,000 | 9,200,000 |
| Nat'l. Library of Medicine (incl. Medical Library Assistance Act) | 55,910,000 | such sums | 53,320,000 | 59,000,000 |

* AIA recommendations based on levels Congressional Budget Office has determined would be needed to maintain current level of services.

## STATEMENT OF JOSEPH S. MURPHY, CHANCELLOR OF THE CITY UNIVERSITY OF NEW YORK

Senator INOUYE. Our next witness is Joseph S. Murphy, the chancellor of the City University of New York.

Senator INOUYE. Mr. Chancellor, welcome, sir.

Mr. MURPHY. Thank you, sir. Mr. Chairman and members of the committee, I appreciate the opportunity to be here this morning. I will read a brief statement with your permission.

I am chancellor of the City University of New York and chairman of the National Pell Grant Coalition, which represents 20 university, student, labor, and civil rights organizations. The coalition was formed last year to promote the funding of the Pell grants Student Aid Program, and the list of coalition members is attached to this testimony for your information.

I deeply appreciate this opportunity to testify before you and call your attention to the Pell grant program, which we consider to be the most significant initiative undertaken by the Federal Government to increase access to higher education.

Today, Pell grants are making higher education a reality for more than 2½ million poor and working-class people, most of whom normally would never dream of attending college because of the prohibitive cost. More than three-quarters of Pell grant recipients have family incomes below $15,000; about one-half are self-supporting; about one-third are minorities. For these students Federal aid is a necessity, not a convenience.

Given the circumstances of beneficiaries and the administration's rhetoric about student aid, one would assume that Pell grant recipients were due for a considerable increase in their grants. The administration is telling us, first of all, that we should stop subsidizing this supposed extravagant lifestyle of middle-class students who could pay their own way through college if only they would give up their stereos, cars, and beach vacations. I can tell you for most of our college students a holiday at the beach means a subway ride to the beach at Coney Island.

Second, they tell us by cutting aid to the middle class, the needy will be better protected.

I respectfully submit that neither part of the administration's statement is accurate. By and large, middle-class students are not living extravagantly at the expense of the taxpayers and the truly needy would not be protected, but hurt badly by the proposed budget.

Like the card sharks on Manhattan street corners luring unwary tourists to play three-card monte, the administration is displaying a great talent for sleight of hand.

While keeping our eyes focused on cuts in aid to the allegedly unworthy middle class, the administration has slipped Pell grants under the chopping block. Congress has resisted cuts in Pell grants before, and today, I urge you to pursue again your customary approach to educational policy and reject this short-sighted proposal.

The administration would cut the Pell grant benefit package the Congress mandated last fall and slash $636 million from the funded program next year. Under this proposal, 800,000 students would lose their grants entirely and the funds allocated to students with family incomes under $12,000 would slide 9.4 percent. Let me cite two examples of the result.

There is a City College freshman who works part time in a Federal jobs program and whose immigrant parents both work. Their combined income is $13,280 a year. Currently, the student is eligible for a $1,425 Pell grant. Under the administration proposal, he receives $660 in 1986, a $785 loss in student aid.

Another city university student would lose his entire grant. This student would become ineligible automatically, because his family income is $1,000 more than the proposed income limit of $25,000. That $26,000 income, earned by two working parents, supports six children, two of whom are attending college.

These are not students using grant money to pay for stereos or cars or vacations. One of our college presidents reports that sales in the bookstores and cafeterias rise rapidly on days when grants are distributed. Food and books are a far cry from stereos and vacations.

### PREPARED STATEMENT

The rest of the statement can probably be read by those interested, and I ask that it be submitted.

Senator INOUYE. Without objection, so ordered.

Mr. MURPHY. If I may, I would like to conclude with these remarks: that rarely does the occasion arise where people have an opportunity to come before their elected representatives and represent the substantial cry and complaint and pain that a good many of our people are feeling. These cuts throughout all domestic programs that have occurred recently have been a source, so far, of inchoate resentment.

The fact is we are producing larger and larger numbers of black and Hispanic students in high school and fewer and fewer are coming to colleges. Something will have to be done, either now or later. Thank you, sir.

Senator INOUYE. Thank you very much, Mr. Murphy.

[The statement follows:]

## Statement of Joseph S. Murphy

My name is Joseph S. Murphy. I am Chancellor of the City University of New York and chairman of the National Pell Grant Coalition, which represents twenty university, student, labor and civil rights organizations. The Coalition was formed last year to promote funding of the Pell Grant student aid program. A list of Coalition members is attached to this testimony, for your information.

Mr. Chairman, I deeply appreciate this opportunity to testify before you and to call your attention to the Pell Grant program, which we consider to be the most significant initiative undertaken by the federal government to increase access to higher education. Today, Pell Grants are making higher education a reality for more than two and half million poor and working-class people, most of whom normally would never have dreamed of attending college because of the prohibitive cost. More than three-quarters of Pell Grant recipients have family incomes below $15,000. About half are self-supporting. About one-third are minorities. For these students federal aid is a necessity, not a convenience.

Given the circumstances of the beneficiaries and the Administration's rhetoric about student aid, one would assume that Pell Grant recipients were due for a considerable increase in their grants. The Administration is telling us, first of all, that we should stop subsidizing the supposedly extravagant life style of middle-class students who could pay their own way through college if only they would give up their stereos, cars and beach vacations. I can tell you for most of our students, a holiday at the beach means a subway ride to the beach at Coney Island. Secondly, they tell us that by cutting aid to the middle-class, the needy can be better protected.

I respectfully submit that neither part of the Administration's message is accurate. By and large, middle-class students are not living extravagantly at the expense of the taxpayers and the truly needy would not be protected, but hurt badly, by the proposed budget. Like the card sharks on Manhattan streetcorners luring unweary tourists to play "three-card monte", the Administration is displaying a great talent for sleight-of-hand. While keeping our eyes focused on cuts in aid to the allegedly unworthy middle class, the Administration has slipped Pell Grants onto the chopping block. Congress has resisted cuts in Pell Grants before, and today I urge you to pursue again your customary approach to educational policy and reject this shortsighted proposal.

The Administration would cut the Pell Grant benefit package Congress mandated last fall and slash another $630 million from the program the following year. Under this proposal, more than 800,000 students would lose their grants entirely and the funds allocated to students with family incomes below $12,000 would decrease 9.4 percent. Let me cite two examples of the hardship that would result if the proposals become law.

There is a City College freshman who works part-time in a federal jobs program and whose immigrant parents both work. Their combined income is $13,280. Currently, the student is eligible for a $1,425 Pell Grant. Under the Administration proposal, he would receive $660 in 1986, a $785 loss in aid.

Another City University student would lose his entire grant. This student would become ineligible automatically because his family income is $1,000 more than the proposed income limit of $25,000. That $26,000 income, earned by two working parents, supports six children, two of whom attend college.

These are not students using grant money to pay for stereos, cars and vacations. One of our college presidents reports that sales in the book stores and cafeterias rise markedly on days when grant checks are distributed. Food and books are a far cry from stereos and vacations.

The fact is that the purchasing power of the Pell Grant diminished greatly between 1979 and 1984. In 1979, the maximum grant covered 46 percent of average college costs. In 1984, it covered only about 31 percent. The effects of inadequate funding were documented recently in a study by the American Association of State Colleges and Universities which revealed that fewer minority-group and disadvantaged students are attending college, although many more of these students are graduating from high school. For example, high school graduation rates among black students rose 29 percent between 1975 and 1982, at the same time their enrollment in colleges fell by 11 percent. Similarly, high school graduation rates among Hispanics went up 38 percent over the same period, while college enrollment declined 16 percent. The study attributes the decreases in enrollments to financial barriers. The maximum Pell Grant which was $1,600 in 1974 is now $1,900. To keep up with inflation, the grant should have grown to $3,000.

Under your leadership, Mr. Chairman, this subcommittee and your counterparts in the House took an important step toward improving this situation by passing a substantial increase in Pell Grant benefits last October. This is not the time to heed the counsel of those who would move us in the opposite direction. Mr. Chairman, our National Pell Grant Coalition is asking you to keep the benefits to be allocated next September at the full level approved by Congress: a $2,100 maximum grant or a stipend covering 60 percent of college expenses, whichever is lower. Both options are important. Without a rise in the maximum grant, THE AWARDS OF STUDENTS AT EXPENSIVE INSTITUTIONS WOULD FALL FURTHER BEHIND RISING COLLEGE COSTS. WITHOUT AN INCREASE IN THE CURRENT 50 PERCENT RATE OF COVERAGE, NO INCREASE WOULD ACCRUE TO THE NEEDIEST ONE MILLION PUBLIC COLLEGE STUDENTS, THE PROGRAM'S PRIMARY TARGET GROUP.

FOR FISCAL YEAR 1986, THE COALITION ASKS YOU TO CONSIDER RAISING THE MAXIMUM BENEFIT TO $2,300 AND COVERAGE TO 65 PERCENT OF COLLEGE EXPENSES. THE INCREASE WILL SIMPLY MAINTAIN THE PURCHASING POWER OF THE MAXIMUM PELL GRANT IN 1986 AT THE SAME LEVEL INTENDED FOR 1985.

SOME WOULD ARGUE THAT THE POLITICS OF 1985 MITIGATES AGAINST NON-DEFENSE SPENDING: IT IS OUR BELIEF THAT THE NATIONAL INVESTMENT IN HIGHER EDUCATION IS MORE IMPORTANT TO OUR SECURITY THAN ANY WEAPONS SYSTEM. EDUCATIONAL ACCESS IS ESSENTIAL TO DEVELOP THE BRAINPOWER THE COUNTRY NEEDS TO STAY AFLOAT ECONOMICALLY AND TECHNOLOGICALLY. THE COUNTRY PROFITS ENORMOUSLY WHEN ITS PEOPLE ARE GIVEN THE OPPORTUNITY TO FULFILL THEIR INTELLECTUAL POTENTIAL AND SUFFERS IN ALL KINDS OF WAYS WHEN THE OPPORTUNITY IS DENIED.

HIGHER EDUCATION HAS BEEN, IS NOW AND WILL CONTINUE TO BE THE BEST ENTREE TO MIDDLE-CLASS LIFE IN OUR SOCIETY. UNDERMINING ACCESS TO COLLEGE FOR POOR AND WORKING-CLASS STUDENTS WILL HAVE THE EFFECT, INTENDED OR NOT, OF BLOCKING THEIR ASPIRATIONS FOR UPWARD MOBILITY AND INSTITUTING A RIGID CLASS STRUCTURE. THE KEY QUESTION TODAY SHOULD NOT BE HOW TO CUT STUDENT AID, BUT HOW TO ASSURE IT KEEPS PACE WITH RISING COSTS.

THE ADMINISTRATION REJECTS THE IDEA THAT BROAD ACCESS TO HIGHER EDUCATION SHOULD BE A MAJOR NATIONAL PRIORITY. CONGRESS, IN BIPARTISAN AGREEMENT, HAS REPEATEDLY REJECTED THIS VIEW AND REAFFIRMED THE IMPORTANCE OF ADVANCING EDUCATIONAL OPPORTUNITY. I URGE YOU TO DO SO AGAIN THIS YEAR. THANK YOU.

## SPONSORING ORGANIZATIONS

American Association of Community and Junior Colleges

American Association of State Colleges and Universities

American Association of University Professors

American Federation of Teachers

ASPIRA

Association of Community College Trustees

City University of New York

El Congreso Nacional de Asuntos Colegiales

Hispanic Higher Education Coalition

League of United Latin American Citizens

Mexican American Legal Defense and Education Fund

National Association for the Advancement of Colored People

National Association for Equal Opportunity in Higher Education

National Association of State Universities and Land-Grant Colleges

National Council of Educational Opportunity Associations

National Education Association

National Organization of Black University and College Students

Office for Advancement of Public Colleges

United Negro College Fund

United States Student Association

## STATEMENT OF DR. DOLORES E. CROSS, PRESIDENT, NEW YORK HIGHER EDUCATION SERVICES CORP.

Senator INOUYE. Our next witness is Dr. Dolores E. Cross, president of the New York Higher Education Services Corp.

Senator INOUYE. Welcome, Doctor.

Ms. CROSS. Thank you. Good morning. I would like to take this opportunity to thank you and members of the subcommittee for the opportunity of being here. As president of the New York State Higher Education Services Corp., I am responsible for the centralized administration of 18 State programs and four Federal programs which this year provided $1.5 billion to 750,000 New Yorkers.

I am also an educator, and I would like to take this opportunity to argue for more dollars for defense and improved economy, dollars for defense against forces of communism, tyranny, and other forms of oppression, and to argue that the best form of defense is an educated work force and that the best form of defense is to provide or continue to provide access for the sons and daughters of former slaves, the sons and daughters of former immigrants, for women and for new groups of people who seek access.

As an administrator, educator, and public servant, I am proud to be from a country whose commitment to access, choice, equity, and excellence in education is second to none. Nowhere in this world can we find a richer mix of educational opportunity than we can in this country. And one of the most impressive features of our proud legacy is our excellent postsecondary educational system, a system which is diverse, comprehensive, and balanced in both its ability and willingness to make access and choice a reality, while preserving the highest standards of excellence.

I am here today, and I have digressed from my written statement, Senator. I am here today because I fear this system, both in New York and throughout the country, is being seriously threatened by new public policy alternatives which have emerged in response to one of the most troubling crises this country has ever faced: our unprecedented national debt.

I am here to urge caution as we address this great challenge. For years, this Nation has been on the forefront of meeting the educational and cultural needs of millions of people, both within our borders and beyond.

For hundreds of years, we played a major role in promoting the standards of freedom and choice as in that symbol lies the highest ideals of human fulfillment. We must carefully protect the role of postsecondary education in preserving these ideals. To carelessly restrict aid at this time would dash the educational hopes of many Americans at a time when they and our technologically oriented society are most in need of new training, new ideas, and new solutions.

Careers and lifetime plans would be derailed; potentials would go unfulfilled; the aims of postsecondary education that relate to access for all citizens would be significantly altered. This country's postsecondary system is diverse, comprehensive, and balanced in the opportunities for access and choice that it provides. I urge you to resist any attempts to change programs, and to forego considering any changes in title IV programs until the reauthorization process begins next year, at which time we might present ways to reduce costs without incurring a negative impact on access and choice.

In preparation for reauthorization, we should seek the input from the community of postsecondary students, educators, and administrators to assure that credible, balanced proposals are developed.

Meanwhile, I will join you in your efforts to inform parents and students that aid is still available and that the opportunity for postsecondary education at this point remains intact.

That last sentence relates to a concern that I have. The threat of proposals have sent signals to the minority community and the majority community that we have retreated from our commitment to access and choice.

A few years ago, when the cutbacks were proposed, students were reluctant to apply for aid. I think the task before us is to not only push for changes next year, but to urge people today to apply for aid.

Finally, I repeat again, I believe that our best defense against the forces of tyranny, communism, and other forms of oppression is an educated work force and fullfilling our commitment to access and choice to all groups of people.

Thank you.

PREPARED STATEMENT

Senator INOUYE. Thank you very much. I can assure you that we will do our best. Your statement will be placed in the record.

Ms. CROSS. Thank you.

[The statement follows:]

## STATEMENT OF DR. DOLORES E. CROSS

Good morning. I would like to thank Senators Weicker, D'Amato, and the members of this subcommittee for the opportunity to testify on the FY'86 federal budget.

As President of the new York State Higher Education Services Corporation, our State's student financial aid agency, I am responsible for the centralized administration of 18 State programs and 4 federal programs which this year are providing $1.4 billion to approximately 750,000 New Yorkers. It is from this perspective that I would like to provide a brief overview of our observations on the projected impact of the FY'86 budget proposals offered by the President.

Student aid represents many things to the people and institutions of our nation. In aggregate terms, it represents over $18 billion of capital annually for students attending 3,200 institutions which expend nearly $80 billion annually while employing 1.1 million faculty and staff. On a per student basis, it provides funds for access and choice for the majority of the 12 million college students who seek to develop or upgrade their skills and thus become contributing members of our society, in both educational and economic terms. Student aid has provided the means for many new populations - Blacks, Hispanics, women and older adults - to strive for better lives through higher education, and by doing so, help this nation fulfill important social objectives involving equality, equity and a fair share of the American dream.

Federal aid has been an especially important source of student assistance, accounting for 78% of all aid (from government (state and federal) and institutional sources) available nationally in 1984-85. Yet it is a source of assistance that has been drying up under the current Administration. Since 1980, federal student aid (excluding guaranteed loans) has declined by 42% in constant (inflation adjusted) dollars. Major programs such as Social Security educational benefits, which provided $2.1 billion in 1980, are being phased out. Other programs have been underfunded, well below levels authorized by Congress during the last major revision of the Higher Education Act (1980).

The effect of withdrawing the federal commitment is multiple: (1) our world position, in terms of the competitive edge of our products and services, is diminishing, (2) opportunities for minorities and other vulnerable populations are vanishing, thereby reducing the educational attainment and employability of growing segments of our population, and (3) a major economic threat is being felt by our higher education institutions - a segment of our economy which, when a conservative 2.5-to-1 multiplier effect is included, contributes nearly $200 billion annually to the nation's economic activity - which is not a bad return on an $8 billion annual federal Title IV program investment!

The partnership that has been carefully forged between students, parents, institutions, lenders, and federal and state governments is being seriously undermined. The uncertainty of the situation, and the growing press coverage of options for program cutbacks, are causing many families to give up their plans for higher education. Yet, national opinion polls continue to find that the clear majority of Americans believe in government investment in higher education.

The experience of the students and institutions in our State, and the likely impact of the Administration's proposals is documented in a supplemental statement which I have provided to this subcommittee. It highlights the biased impact of the Administration's proposals on particular institutional sectors and student groups. It also recommends new areas for cost-saving for your consideration - areas which will save the federal government far more than the Administration's proposals, but in ways which do not hurt students or participating institutions.

In summary, I urge this subcommittee to examine the Administration's proposals, not in terms of unfounded anecdotes regarding stereos and beach parties, but in terms of the research-documented realities facing families. Those families want to see their sons and daughters further their potential for achievement. They want to contribute to their college plans. And they want a fair and consistent partner in the form of the federal government.

You are being urged by your constituents to report that education has contributed its fair share to controlling federal spending; that Americans want to improve this nation's international trade position through the production of superior products and services; that the public good is served by maintaining equality of access to a higher education for all who seek it, regardless of color, sex, or financial circumstances; that the Administration has failed to develop a viable plan for cost containment in the student aid area; and, that creative ways are known which will reduce federal expenditures while preserving student aid program integrity.

I wish you good fortune in your efforts and pledge my support and cooperation.

## STATEMENT OF ROBERT M. ROSENZWEIG, PRESIDENT, ASSOCIATION OF AMERICAN UNIVERSITIES

### PREPARED STATEMENT

Senator INOUYE. Our next witness is the president of the Association of American Universities, Mr. Robert Rosenzweig.

Mr. ROSENZWEIG. Good morning, Senator.

Senator INOUYE. Good morning, sir.

Mr. ROSENZWEIG. I am pleased to appear here this morning, Senator, on behalf of the Association of American Universities, the Association of Graduate Schools, the Council of Graduate Schools in the United States, and the National Association of State Universities and Land Grant Colleges.

The committee has my prepared statement.

Senator INOUYE. Your statement will be made part of the record, sir.

[The statement follows:]

## STATEMENT OF ROBERT M. ROSENZWEIG

Mr. Chairman and Members of the Subcommittee, I am Robert M. Rosenzweig, President of the Association of American Universities. I am pleased to have this opportunity to testify on FY 1986 appropriations for programs authorized by the Higher Education Act. In addition to the AAU, I appear on behalf of the Association of Graduate Schools, the Council of Graduate Schools in the United States, and the National Association of State Universities and Land-Grant Colleges. I will focus my remarks on those programs that significantly affect graduate education--the fellowship programs in Title IX, the facilities programs in Title VII, the international education programs in Title VI, and the research library programs in Title II. I will also comment briefly on those programs in Title IV that provide important financial support for graduate students.

The Administration has once again chosen to eliminate funding for those programs of particular importance to graduate education, despite the link that is clear to most between a strong national graduate education enterprise and frequently stated Administration goals of a vigorous, internationally competitive economy and strong national defense. We hope that the Congress will reject the Administration's request and sustain the following programs supporting graduate education.

1. Title IX Fellowships

The National Graduate Fellows Program would award fellowships to exceptionally talented students--to be known as Javits Fellows--for graduate study in the arts, humanities, and social sciences. This program would help restore a measure of balance to the federal commitment to graduate education and would send an important signal to students and scholars in these disciplines that the federal government recognizes the importance of the highest quality of education and scholarship in all fields.

Congress has provided $2.5 million for this program for

FY 1985. We are most grateful to the Chairman and members of this subcommittee for their strong support of this program, which has made this funding possible.

We have been most encouraged by the actions of the Department of Education task force organized to implement the program. They have consulted broadly and frequently with representatives of the graduate education community and with representatives of other federal agencies and nonprofit organizations carrying out similar programs supporting graduate education in other fields. We believe that the task force has done the necessary preparatory work that would permit it to implement the program rapidly. Based on our discussions with Department staff, we are hopeful that the Department will operate this program as an exemplary instrument for encouraging gifted students to undertake graduate study in the arts, humanities, and social sciences.

We are concerned, however, with the failure to appoint the Board necessary to implement the program. At the request of the Department and after consulting widely on college and university campuses, the higher education community last October submitted nominations of academic scholars to serve as members of the Board. Since then, however, no discernable action on the Board has been taken. We hope that measures can be taken to assure that the promising beginning Congress has given to this program is not thwarted by inaction elsewhere. To that end, we request that Congress press the Administration to appoint the Board immediately and instruct the Secretary to implement the program. We then request that funds be provided to carry forward this program at its current level. This will require an appropriation of $5 million--$2.5 million to fund the second year of the first class of Javits Fellows and an additional $2.5 million to fund the first year of the second class of fellows.

I now turn to the Graduate and Professional Opportunities Program, a happier topic on which to comment. The GPOP program directly addresses the continued serious underrepresentation of

Blacks, Hispanics, and Native Americans in virtually all fields of postbaccalaureate study and the underrepresentation of women in science and engineering fields and in the professions. As an effective vehicle for encouraging students from these groups to pursue the highest levels of academic achievement, the GPOP program clearly warrants continuation. We request that this program be provided with an increase in funding for FY 1986 at least equal to the rate of inflation.

2. Title VII Facilities Funding

One of the most serious problems facing our colleges and universities is the pressing need for funds to renovate existing facilities and construct new ones. New teaching and research requirements, technological changes, and justifiable regulations for handicapped access combine with simple aging to create an enormous demand for facilities renewal. Colleges and universities do not have sufficient funds to meet that demand.

One unfortunate manifestation of the urgent need for facilities funds has been the proliferation of special appropriations requests to address the needs of individual institutions. It is far sounder public policy to address facilities needs systematically through federal programs. Last year Congress provided $50 million for facilities, but only $28 million was allocated to Title VII programs. For FY 1986, we ask that Congress provide $50 million for facilities, with all funds being allocated to the Department of Education to be awarded to institutions through Title VII programs.

3. Title VI International Education

Since the close of World War II, a large and diverse system of language and area studies programs has grown up on university campuses. The international conditions that gave rise to the need for a national capacity for research and training in foreign language and area studies have only intensified. Economic competition from foreign countries has increased sharply, and our country's balance of payments has plummeted. Recent events in the Middle East and Central America illustrate clearly the importance of knowledge about the language, culture, and customs for our friends and our adversaries.

It is inconceivable that the United States would abrogate its responsibilities as the leader of the free world, yet the Administration has proposed the termination of all funding for a major federal program supporting research and advanced education essential for meeting those responsibilities effectively.

Federal support for language and area centers averages only about 10% of the total budgets for these centers, but these funds provide the basis for the generation of other sources of support.

Through Part B of Title VI, a small amount of funding is provided to encourage the formation of university-business partnerships that will assist companies in learning more about potential trading partners. Against the backdrop of our steadily declining balance of payments, the modest funding for Part B represents a sound initial investment in a long-term strategy to increase our international economic competitiveness.

The funding provided for the Fulbright-Hays program through Title VI has expanded our shared knowledge through the exchange of students and faculty in a wide range of fields. The most effective antidote to international tension is international understanding, and the Fulbright-Hays program works directly to that end.

Because of the central contribution that these programs make to fundamental objectives of a sound national security, an informed foreign policy, an internationally competitive economy, and enhanced international understanding, we request that Congress provide the increase in funding necessary for these programs to continue to operate at their current levels.

4. Title II Research Library Funding

Academic libraries are essential for all aspects of university teaching and research. In most disciplines, library collections remain the primary scholarly tool. Rapid changes in technology are revolutionizing the processes by which information is catalogued, stored, retrieved, and distributed. The research libraries of our nation's universities already are national--indeed, international--resources. The technological revolution now underway will create dramatic new possibilities for the sharing of library resources.

To realize these opportunities, however, places increased demands on the already staggering capital needs of research libraries. Further, in preparing for the future, we cannot afford to neglect the past. We must address the urgent problem of the rapid decay of invaluable and irreplaceable library collections. It is not an exaggeration to say that our intellectual heritage, stored on brittle and crumbling paper, is at risk.

Title II, Part C, Strengthening Research Library Resources, is a program of proven effectiveness in assisting the nation's research libraries to collect, preserve, and disseminate essential information. We request that Congress provide an increase in the current Part C funding level equal to the rate of inflation for FY 1986.

5. Title IV Student Aid Programs

I wish to emphasize the importance to graduate students of three programs provided through Title IV: College Work-Study, the Guaranteed Student Loan program, and the National Direct Student Loan program. We support the testimony of the American Council on Education with respect to these programs. I will only add that College Work-Study provides particularly effective support for graduate students through work such as teaching and research assistance that is closely related to students' educational objectives.

Mr. Chairman, I am convinced that the funds we have asked Congress to provide represent a sound investment in graduate education that will benefit the nation far in excess of the dollars expended. Thank you for this opportunity to appear before you.

Mr. ROSENZWEIG. Thank you. I would like to touch briefly this morning on three titles of the Higher Education Act that specifically affect graduate education in research. Starting from the back of the act and working forward, title IX, dealing with graduate fellowships, was finally funded for the first time in fiscal year 1985. The winners of those fellowships will be known as Javits fellows in honor of former Senator Jacob Javits.

Things seem to be going well at the working level of the Department of Education in arranging for the administration of that program, but the President has yet to appoint a national board required by the statute, and without it, the Department is unable to start the program, process applications, and make awards.

We understand that all else is in readiness. It would be possible for the Congress to authorize to give over to the Secretary temporarily, that is, until a board is appointed, the power to exercise the powers that are vested by statute in the board. We hope that the Congress will find a way to urge the White House to move expeditiously so that these funds can be used, if not in time for the forthcoming academic year, then held over to be used for the following academic year in addition to the funds which the committee, I hope, will recommend for that year.

Another part of that title, Mr. Chairman, is the Graduate and Professional Opportunities Program. That deals with aid to minority students and women entering postbaccalaureate education. That has been, by a general agreement, a quite successful program, and it deserves the continued support of the Congress.

The recruitment of minorities and women into the professions, including especially college teaching, is an important way to assure that past gains won't be lost and further progress will be made broadly throughout the entire society.

Let me move onto title VII, which deals with facilities. Here, too, the program was funded for the first time in the current fiscal year in response to testimony demonstrating serious capital deficits in institutions of higher education, the $28 million that was appropriated as a small start toward addressing the problem. We urge that Congress appropriate the full $50 million authorized and that all the funds appropriated be allocated through the mechanisms in the Department of Education established by the law in contrast to the current year's experience in which $28 million was allocated through the Department and $22 million was earmarked for special projects and individual institutions.

Finally, I would like to say a word about title VI, the National Foreign Language and Area Studies Program. Here, we are simply totally baffled. Once again, the administration has proposed to eliminate a set of programs whose purpose is to increase knowledge and improve academic, business, and broad public competence in the languages and cultures of other nations. There may be better ideas about how to do these things, and no doubt, some will be proposed during the forthcoming debate over the reauthorization of the Higher Education Act.

Until then, it was bewildering shortsighted to throw away something that is reasonably needed. We trust the committee will restore the funds as it has in the past.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you, sir.

## STATEMENT OF LOUIS CAMPBELL, NATIONAL COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

Senator INOUYE. Our next witness, representing the National Council of Educational Opportunity Associations, is Louis Campbell.

Senator INOUYE. Mr. Campbell, I convey to you the regrets of our chairman, Senator Weicker. He wanted to be here to personally greet you.

Mr. CAMPBELL. Thank you, Mr. Chairman.

Senator INOUYE. I gather you are from Connecticut.

Mr. CAMPBELL. Yes; I am. My name is Louis Campbell, and I am, located at Wesleyan University, Middletown, CT, and the program is sponsored by Connecticut Talent Assistant Corp., which is a private, nonprofit organization. I am testifying today on behalf of the National Council of Educational Opportunity Associations, and I very much appreciate this opportunity to come to you today to discuss the need for current service funding for special programs for the students from disadvantaged backgrounds.

The acronym that these programs are known under are called the TRIO programs. Certainly, the current services funding would allow us to operate at a $186.6 million for fiscal year 1986 level.

The entire statement has been given to the committee for use.

Senator INOUYE. Without objection, it will be made part of the record.

Mr. CAMPBELL. I am well aware of the subcommittee's strong stance to support a Federal role in education, especially when this role protects and advances opportunities for our disadvantaged.

I think that there are two particular issues that affect the clientele that we are providing services to, and that is the declining enrollment of minority students in higher education and also, the percentage of disadvantaged students receiving Federal student assistance.

The reasons for this decline are many, and certainly, I would not or could not go through the many different reasons that I think various studies have come up with concerning this decline.

One particular problem which I think TRIO programs definitely, and specifically CONNTAC EOC addresses is the information, the access to information concerning admissions, financial aid, and educational and career opportunities.

The Educational Opportunities Center, which I direct in Connecticut, provides services to approximately 25,000 clients each year. The per client cost is only $75.

We serve the six cities in Connecticut, Middletown, Hartford, Waterbury, New Haven, Bridgeport, and Norwalk. We provide one-on-one counseling and group activities in terms of dissesminating information.

The other particular TRIO programs, Upward Bound, Special Services, and Talent Search, are also disseminating information, but Upward Bound is specifically helping high school students with academic skill preparation and special services, they are helping students that are in college in terms of support services.

The TRIO programs that I am speaking on behalf of, we are certainly very interested in students not being dropped from these programs so that the decline in enrollments of disadvantaged students do not become exacerbated in the future.

Again, we are requesting the current services funding, and I appreciate the opportunity to testify before you today. I certainly am sorry that Senator Weicker is not here, but I would appreciate any support that this committee would offer us.

### PREPARED STATEMENTS

Senator Inouye. You can count on Senator Weicker supporting you, and you can count on us supporting him. Your statement will be included in the record at this point along with other statements for the record on higher education.

Mr. Campbell. Thank you.

[The statements follow:]

## STATEMENT OF LOUIS CAMPBELL

Mr. Chairman, Members of the Subcommittee, my name is Louis Campbell and I am Director of the Educational Opportunity Center sponsored by the Connecticut Talent Assistance Corporation in Middletown, Connecticut. I am testifying today on behalf of the National Council of Educational Opportunity Associations. I very much appreciate the opportunity to come before you today to discuss the need for current services funding, $183.6 million, for the Special Programs for Students from Disadvantaged Backgrounds, the TRIO Programs, in FY 1986.

### THE DECLINE IN EQUAL EDUCATIONAL OPPORTUNITY

I am well aware of this Subcommittee's strong stance in support of a federal role in education, particularly when that role is to protect and advance opportunities for the most disadvantaged -- the poor, the handicapped, those from minority backgrounds. Yet, not surprisingly, in the past ten years, with declines in absolute support for higher education from the federal government, the percentage of poor[1] and minority[2] youth attending college is declining. So also is the percentage of federal student assistance going to the most disadvantaged.[3]

Today Blacks make up 13% of the 18 to 24 year old population but only 6.2% of baccalaureate recipients. Hispanics make up 7.3% of the college age population, but only 2.3% of baccalaureate recipients. Students from families with incomes below $12,000 are only half as likely to attend college as those from more affluent backgrounds.

The reasons for this decline are many, not the least of which is the erosion in purchasing power of federal student aid. Another area which accounts for this decline, however, and one to which I will direct my comments today, is the lack of information about aid as well as incorrect information widely circulated about what is actually available.

### THE INFORMATION GAP

Information on student aid often does not reach the inner cities and rural communities with large numbers of students from disadvantaged families.

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[1] John Lee, "Changes in College Participation Rates and Student Financial Assistance, 1969, 1974, 1981." Applied Systems Institute, Inc. Washington, D.C., 1984.

[2] Reginald Wilson and Susan Melendez, "Third Annual Status Report on Minorities in Higher Education." American Council on Education, Washington, D.C., 1984.

[3] Donald A. Gillespie and Nancy Carlson, "Trends in Student Aid: 1963 to 1983." The College Board, Washington, D.C., 1983.

These are the areas where available counselors are least able to pay individualized attention to placing students in college, since they are often caught up in disciplinary actions or other emergencies, or because no college counselors at all are on staff. As a result many disadvantaged youth and adults, whose decisions to attend postsecondary programs usually directly hinge on concerns about finance and support, do not realize that they are eligible for a wide variety of financial aid programs.[4] Surveys conducted indicate that students from low-income families are generally the least well informed about student aid. Among families of high school seniors with incomes below $10,000, only two in five had talked with someone, or read about financial assistance.[5]

## The Place of the TRIO Programs is Closing the Information Gap

The Educational Opportunity Center which I direct in Connecticut is a good example of how TRIO programs can assist in filling this information gap. The CONNTAC EOC serves 2500 clients each year from sites in six cities: Middletown, Hartford, Waterbury, New Haven, Bridgeport and Norwalk. Our cost per client is $75 . Of the 2500 clients served last year, at least 500 went on to college. Our services are provided both in one-to-one counseling sessions and through group presentations. They are designed to make people aware of college opportunities and assist them in completing the necessary admissions and financial aid forms.

I would like to tell you about three clients presently receiving EOC services to give you a sense of our work.

> Terry Woodlard is a young man who had attended Middlesex Community College. He is legally blind and when the institution was unable to provide the services he needed to remain in school, he turned to us for assistance. We are presently working with him to identify a residential school that will provide readers and braille transcription, as well as other services he requires.
>
> Bertha Vargas de Ortiz is married and the mother of three children. She qualifies for the program on the basis of income. We worked with Mrs. Ortiz to encourage her to attend Middlesex Community College. After attending for 3 1/2 years on a part-time basis, she recently completed her Associate of Arts degree in Commerical Art with a 3.5 grade point average. She has now completed her application for the Raier School of Art, and we are working to assure that she receives sufficient financial aid to a attend Raier on a full-time basis.

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[4] National Student Aid Coalition, "Closing the Information Gap, Ways to Improve Student Awareness of Financial Aid Opportunities." Washington, 1985.

[5] "High School and Beyond: A National Longitudinal Study for the 1980's." Chicago: National Opinion Research Center, 1980.

> John Teasley is a client who typifies the youth served by CONNTAC. A black high school dropout from Bridgeport, came to us in search of skills necessary to find a job. We encouraged him to complete high school. This May, after returning for 1 1/2 years of coursework he will complete his diploma. He plans to enter the University of Connecticut in the Fall.

As you can see, information or assistance made available at the right juncture in a person s life is often critical in assisting individuals in making maximum use of federal student assistance in order to build better lives for themselves and their families. The 33 Educational Opportunity Centers and the 167 Talent Search projects are a principal source, sometimes the only available source of that information and assistance.

## Upward Bound and Special Services

In addition to lack of information, other barriers make it difficult or impossible for low-income, and physically handicapped students to enroll in and complete college. Upward Bound and Special Services projects provide the sustained academic and counseling services necessary to address bariers such as academic skills, lack of self confidence, and lack of familiarity with institutional procedures and expectations.

This year 421 Upward Bound projects are serving 33,000 disadvantaged high school students at an average cost of $2200. These projects provide intensive academic instructions during summer residential programs as well as supplemental tutoring, instruction and counseling services during the academic year. A study completed of these programs by Research Triangle Institute found that five years after high school graduation Upward Bound students were four times as likely to have graduated from college as similar students not enrolled in one of these projects.[6]

The 558 Special Services projects, on the other hand, assist 140,000 disadvantaged students already in College. Of this group, approximately 10% are physically handicapped, while 90% qualify by virtue of low-income or because they are in the first generation in their family to attend college. Special Services projects provide a variety of services from specialized academic advising, to tutoring, to remedial courses. A System Development Corporation study of Special

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[6] Graham Burkheimer, John A. Riccobono, and Joseph M. Wisenbaker, "Evaluation Study of the Upward Bound Program:" A Second Follow-up, (Research Triangle Park, NC: Research Triangle Institute, 1979).

Services completed for the Department of Education found that disadvantaged and handicapped students who received these services were more than twice as likely to complete their freshman year as students without benefit of these services.[7]

The Tradeoff: Cut Students or Limit Program Effectiveness

Indeed TRIO projects, like most domestic discretionary programs, have lost substantial purchasing power over the last five years. Increases in average grant size for all TRIO programs other than Upward Bound, were less than $15,000 between FY 1980 and FY 1985. Over this period, the effective dollars available to the projects have declined by 28% and over 50,000 students have been dropped from the programs.

The National Council of Educational Opportunity Associations is seeking current services funding of $183.6 million for TRIO in FY 1986 so that no other student need be dropped from these programs and so that the declines in enrollments of disadvantaged students in postsecondary education will not be exacerbated.

I appreciate the opportunity to testify before you today and would be pleased to answer any questions you might have.

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[7] John Coulson with Clarence Bradford and Judith Kaye, "Evaluation of the Special Services for Disadvantaged Students (SSDS)Program: 1979-80 Academic Year," (Palo Alto, CA: Systems Development Corporation, 1981).

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## Statement of Shirley Echelman, Executive Director, Association of Research Libraries

This statement is submitted on behalf of the Association of Research Libraries, an organization of 117 of the largest public and academic research libraries in the United States and Canada. The books, journals, archival, and other material in the research libraries of our country collectively form a network of resources that supports the teaching, research, and scholarship so necessary to advance our understanding of the world. All citizens have access to these materials, either directly or indirectly by way of local public or academic libraries which may tap into these larger collections on behalf of their users.

This month we commemorate the destruction of that monstrous government that proudly called itself "The Thousand-Year Reich." We can all remember America's abhorrence of that government and of its characteristic ideas; one of the most abhorrent of which was that it had the right and duty to select from among the universe of thought those ideas which were "good for the German people" and to make sure that no others were made available. I shall never forget the Associated Press photograph of the gleeful brown-shirted boys and girls dancing around a huge bonfire that they had made of books torn from the shelves of the Library at the University of Leipzig.

The members of the Association of Research Libraries ask for affirmation that the American government recognizes that its right and duty is to support learning and the open exchange of ideas. What better way to commemorate the deep differences between the United States and Nazi Germany than to support programs that make books and journals more easily available to all our citizens.

Specifically, we ask that the Subcommittee reinstate funds for library programs in the fiscal year 1986 budget for the Department of Education at amounts equal to those appropriated for the 1985 fiscal year plus a modest increase which the Congressional Budget Office calculates is necessary to maintain the current service level. For the Library Services and Construction Act, we recommend an appropriation of $123,500,000 and for library programs included in the Higher Education Act, we recommend an appropriation of $7,400,000. In addition, we endorse the appropriation recommendations of the American Library Association for other library programs that fall under the jurisdiction of the Labor-HHS-Education Subcommittee (a copy of ALA recommendations is attached). Appropriations for 1986 at the same level as 1985 would in effect be asking libraries to accept a curtailment in their current programs. Inflation has increased costs of library materials by 91% since the 1970's and library expenditures for salaries and wages, while staff size has increased only 11%, have more than doubled. We acknowledge and accept the current circumstances which call for prudent federal spending and we support Congressional efforts to apply budget reductions in a fair manner. We believe that a freeze in library programs, adjusted only to maintain current service levels, is fair.

The Administration, for the fourth year in a row, has proposed elimination of federal funds for libraries. Administration officials have testified that 30 years of federal support for libraries is enough and that it is time for other sources of funding - state government and private sources - to assist libraries. We disagree with this assessment. To suggest that there are other sources of funds sufficient to make up for elimination of federal support is naive, unrealistic or a convenient excuse. Most states are already supporting libraries to the extent that they are able. The competition for state funds will increase even further as states are expected to take on a significant number of new roles previously assumed by the federal government. The prospect for states increasing funds for library programs is not bright. Private sources of funds for some projects exist but are not likely to be provided on a regular basis or for many of the necessary but less glamorous library programs which require support.

The Administration reports that the impact of eliminating federal funding for library programs will be minimal. This assessment is shortsighted, in our opinion. Candidly, the impact on the member libraries of ARL of curtailed services or eliminated programs might not be immediately apparent, but it would result in a serious undermining of the research process. The impact would reveal itself as users discover gaps in collections, as less material is listed in electronic bibliographic databases, as the sharing of resources slows or completely stops, and as more material on library shelves deteriorates beyond the point where preservation is possible. Research requiring access to these materials would be frustrated and ultimately, the educational and developmental programs of the country would suffer. It is irresponsible to suggest the country could afford this lacuna in research materials in 1987, 1988, or at any other point in our future.

In addition, we wish to emphasize that the federal government should always maintain a supportive role for libraries. This role is to support libraries in ways that enable and encourage citizen access to the textual and graphic representation of facts, ideas and opinions. Provision of funds for such educational purposes is not as much spending tax dollars as it is investing them in our future. The amounts are modest and the purpose basic to the development and maintenance of an educated electorate. A relatively small amount of federal money invested in the nation's libraries today reaps a return for the country in far reaching and long lasting terms. The book or journal bought by a library, the listing of that title in one of the widely available bibliographic data bases, the preservation of that resource—all these activities serve repeated uses for years after the initial investment.

We would like to highlight two programs which are of particular interest to member libraries of ARL: the Library Services and Construction Act (LSCA) Title III, Interlibrary Cooperation and the Higher Education Act Title II, part C, Strengthening Research Library Resources. Both programs enhance citizen access to an expansive array of library materials by strengthening collections, improving bibliographic control of the material, and facilitating sharing of material among libraries.

In 1985, the LSCA Title III Interlibrary Cooperation program, provided $18,000,000 to states for planning, establishment and operation of cooperative networks of libraries at the local, regional, or interstate level. The program specifies that the networks should promote cooperation and sharing among all kinds of libraries. Networks supported by LSCA funds are important mechanisms that facilitate citizen and researcher access to the richness of research libraries resources. In addition to the threat of zero funding for LSCA in 1986, library networks face threats on two additional fronts. On April 27, 1985, AT&T implemented a new tariff for private line service which results in considerable telecommunication rate increases for libraries. These AT&T private lines are used by libraries to link themselves together to share information on holdings and to facilitate interlibrary lending. Libraries that use these private lines face an average telecommunication rate increase of just over 16% with some libraries being hit with an increase as high as 50%. In addition, postage rates went up on February 17, 1985 which, since much of the delivery of material takes place through the mails, also has an inhibiting impact on resource sharing. Even worse, should the Administration proposal to eliminate postal subsidies be adopted, libraries will be expected to pay almost double their present charge to "share" material via the mail. Elimination of funds for LSCA III would therefore be one of three economic hurdles libraries would have to face in order to continue participation in resource sharing networks.

Title II, part C, of the Higher Education Act provides funds to maintain and strengthen the collections of research libraries and to make their holdings available to other libraries whose users have need for such material. For a relatively modest investment, $6,000,000 in 1985, the federal government has provided support to collect, catalog, preserve and share material of significant research value to the nation. To appreciate the nature of the demands placed on libraries to support research projects, consider as one example, the research material needs of ecologists and historians working to gather information on land use changes in South and Southeast Asia from 1820 to 1980. These researchers are looking for quantitative data and descriptive information that will document the expansion of arable land and resulting shrinkage of forest and woodland, so that they may calculate estimates on decreases in the number of tons of oxygen released into the atmosphere as a result of this land conversion. Source material these researchers need to consult include: published agricultural statistics of British India, the Indian princely states, and Burma; district gazetteers of countries within the scope of the study; nineteenth century British land tax settlement reports that include land use surveys; population censuses of India; and British, French and Dutch colonial archival materials. This example is factual and the researchers did in fact locate almost all of the basic source materials in libraries in this country. Without Title II, part C funds, projects such as this would be jeopardized. There is no assurance that the material would be acquired. Even if it were acquired, what good would it do a researcher if the owning library lacked the resources to list the title in a bibliographic database and to preserve it for continued use?

With costs for library materials increasing, few libraries are able to meet all their user needs by relying only on their own collections. Resource sharing among libraries is a necessity and funds from LSCA Title III and HEA Title II makes this sharing a reality by strengthening library collections and supporting participation in networks. In practical ways, federal support ensures that every community, large or small, rural or urban may tap into a national decentralized network of libraries of all sizes to locate and gain access to material. Technology has helped to make this process feasible and effective; but without federal funds, connections across state and public-private institutional lines might never have been achieved and might not be maintained.

Collectively, the resources within the libraries of this country represent a priceless national resource of value to every citizen. Technology has facilitated access and federal support has encouraged programs that expand this access to increasing numbers of people. Congress has appreciated the importance of continuing these programs in spite of continued Administration recommendations to the contrary. We thank you for your past support and encourage you to seek budget-controlling strategies that are fairly distributed.

## SUMMARY OF
## AMERICAN LIBRARY ASSOCIATION APPROPRIATION RECOMMENDATIONS
## FY 1986 Labor-HHS-Education Appropriations

Library Programs: U.S. Department of Education

| | FY 1985 Appropriation | FY 1986 Authorization | FY 1986 Reagan Request | FY 1986 ALA Recommendation* |
|---|---|---|---|---|
| Library Services and Construction Act | | | | |
| Title I, Public Library Services | $ 75,000,000 | $ 80,000,000 | -0- | $ 78,500,000 |
| II, Public Library Construction | 25,000,000 | 50,000,000 | -0- | 26,200,000 |
| III, Interlibrary Cooperation | 18,000,000 | 25,000,000 | -0- | 18,800,000 |
| TOTAL LSCA | $ 118,000,000 | $155,000,000 | -0- | $123,500,000 |
| Higher Education Act | | | | |
| Title II-A, College Library Resources | -0- | 35,000,000 | -0- | unfunded pending need criteria |
| II-B, Lib. Training, Research and Development | 1,000,000 | 35,000,000 | -0- | 1,100,000 |
| II-C, Research Libraries | 6,000,000 | 15,000,000 | -0- | 6,300,000 |
| TOTAL HEA | $ 7,000,000 | $ 85,000,000 | -0- | $ 7,400,000 |
| Education Consolidation & Improvement Act | | | | |
| Chapter 2 El. & Sec. Educ. State Block Grant** | $ 531,909,000 | such sums | $531,909,000 | $563,900,000 |

** Forward funded consolidation of 28 programs including the former ESEA IV-B School Library Resources and Instructional Equipment program.

Other Programs

| | | | | |
|---|---|---|---|---|
| Nat'l. Commission on Libs. & Info. Sci. | $ 720,000 | $ 750,000 | -0- | $ 750,000 |
| Nat'l. Ctr. for Educ. Statistics (incl. library surveys) | 8,747,000 | 12,000,000 | $ 8,747,000 | 9,200,000 |
| Nat'l. Library of Medicine (incl. Medical Library Assistance Act) | 55,910,000 | such sums | 53,320,000 | 59,000,000 |

* ALA recommendations based on levels Congressional Budget Office has determined would be needed to maintain current level of services.

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### STATEMENT OF LAURIE GARDUQUE, PH.D., DIRECTOR, GOVERNMENTAL AND PROFESSIONAL LIAISON, AMERICAN EDUCATIONAL RESEARCH ASSOCIATION

Mr. Chairman, I am Laurie Garduque, Director of Governmental and Professional Liaison for the American Educational Research Association. On behalf of AERA, I want to thank you for this opportunity to present our views on the FY 86 appropriation for NIE.

As the most prominent professional organization of individuals concerned with educational research and its application, AERA recognized the need for a federal agency to provide leadership in the conduct and support of educational research long before NIE was created. Our perspective is based on two premises: one about the nature of science, the other on the responsibility of the federal government. First, knowledge knows no state boundaries. In other words, communication among scholars and researchers proceeds without regard to either geography or for that matter, institutional lines. Second, only the federal government has the resources and the span of interest to conduct educational research of national scope and concern. Indeed, the combined interests of business and philanthropy are unequal to the task. With states and localities assuming an increasing share of the costs of education, they do not have the capacity to support a research function. Clearly, the federal role in supporting educational research is indispensable.

Thus, my comments will focus on NIE's mandate, its ability to carry out its mission, and its future. I want to urge you and the members of the Subcommittee to go beyond the Administration's request for a freeze at the FY 85 level of $51.2 million and provide NIE with $56.3 million, a modest ten percent increase over last year's funding. I also want to ask for your assistance in assuring the NIE-supported regional laboratory and national center competition proceeds as planned and conforms to the peer review policy now in place. Finally, I want to underscore the importance of educational research in sustaining the public's interest in, and commitment to excellence in education.

## Educational Research and Development Comes of Age

For most of its history, NIE's accomplishments attracted little notice outside the field. Through its support of the regional laboratories, national research centers, and various grants and contracts, NIE gave the burgeoning field of educational research direction, visibility, and coherence. More importantly, it helped to establish a network of communication linking researchers to one another as well as to members of the professional education community.

Until the recent push toward excellence in American education, NIE's political problems seemed to overshadow its accomplishments. Publication of the NIE-supported report, A Nation at Risk, projected the Institute and its work in a new light. The current reform movement has created, in effect, a marketplace for NIE's work. NIE's standard and currency - educational research is absolutely critical to educational improvement - has increased in value now that the quality of education is an issue of national interest and concern. Blue ribbon commissions and task forces, Governors, state legislatures, and state and local school officials are analyzing the problems confronting American education and seeking the information and knowledge gained through research to inform their policy decisions.

Still, few would give credit to NIE for helping to stimulate the educational reform efforts currently underway. But a close look at the character and structure of the knowledge base underlying many of the reform and improvement initiatives being undertaken betrays the unmistakable imprint of NIE's handiwork.

Consider the following examples. The availability of funds through NIE for large scale projects and long term research resulted in a tremendous surge of activity in research in teaching. Many of the guiding principles and key concepts shaping reforms in the selection, training, and retention of teachers used in such states as Tennessee and Florida are based on the results of NIE-supported studies. The application of cognitive science to problems in teaching and learning has come about because of NIE-sponsored initiatives. Advances in our knowledge about the acquisition of reading, writing, and problem solving skills have the potential for dramatically improving methods of instruction. Another of NIE's contributions, probably the most widely known, is the research on effective schools. The results provide a clear picture of why certain schools are more effective than others in educating their students. Studies not only show what factors make a difference but how to bring those factors under control and initiate reform.

Finally, NIE has devoted considerable resources to making information available and accessible to those who benefit from its use and application: policymakers and educators. NIE has supported and managed a number of Congressionally mandated studies on compensatory education, school safety, school desegregation, and school finance. NIE has reached out to state policymakers by supporting cost-sharing awards to state legislatures for educational policy studies through a grant to the National Conference of State Legislatures. NIE also funds the National Assessment of Educational Progress (NAEP), a valuable resource for the Congress as well as state and local policymakers.

## Progress in the Face of Adversity

No one would argue that NIE has been an unqualified success. It has suffered its fair share of notoriety and problems. Yet, NIE has compiled an impressive list of accomplishments despite a history of inadequate funding and instability in its leadership. When NIE was created back in 1972, the field of educational research was in its infancy. It was hoped that NIE would consolidate and give higher status to federal educational research and development activities, establish a solid base for efforts to improve education, and advance the practice of education in general. NIE's funding has never been equal to the task. Its broad authority sets an ambitious agenda: improve the quality of education; advance the field of education as a profession; strengthen education's scientific and technological foundations; and build an effective R&D system. Even in the best of times, NIE's resources never reached levels adequate to cover its four R&D functions and the eight priority areas listed in its authorizing statute. At its highest, back in 1979, NIE funding amounted to $96 million, a level inflated by today's standards since it includes salaries and expenses and current figures do not. Compared to the investments made in other significant fields of endeavor, such as health and agriculture, the level is embarrassingly low. At $60 million, the total NIE and NCES FY 85 budget amounts to less than one half of one percent of the approximately $17.9 billion the federal government will spend on education this year.

## Budget Cuts Take Their Greatest Toll on Field Initiated Studies

NIE's budget has declined precipitously over the past five years, from $74 million in FY 80 to $51 million in FY 85. Budget cuts have severely limited NIE's capacity to support new initiatives and to sustain existing efforts in its three programmatic areas: teaching and learning, educational policy and organization, and dissemination and the improvement of practice. Institutional program support which includes labs and centers, NAEP, and the ERIC system, has leveled off - a cut in real terms when inflation is taken into account. But the major casualty of cost-cutting moves has been support for individual researchers.

As NIE's funding has declined, institutional program awards have taken up an increasing share of the modest funds available, comprising over 90 percent of NIE's budget in FY 85 as compared to 67 percent in FY 81. Since the bulk of NIE's funds must go to continuation costs, little is left to support grant competitions or unsolicited proposals, the major sources of funding for individual researchers.

The regional laboratories and national research centers have assumed most of the responsibility for NIE-sponsored R&D activities. Yet, the possibilities for linking educational research to educational reform extend far beyond the capabilities of the lab and center network. The competition gives us some idea of the potential resources for educational R&D across the country. NIE received over 110 applications for center planning grants and over 30 for lab planning grants. Many applications involved consortia of several different institutions, so the actual count of institutions is higher, and the number of individual researchers still even higher. The response to the competition clearly reflects pent-up demand for research funds coupled with the interest in research generated by the reform movement. Only 11 institutions will receive center awards and only eight organizations, laboratory awards. Needless to say, significant numbers of individual researchers will not have the good fortune to be associated with a winning lab or center proposal. To have geared up for the competition and lost is one thing. But to have no other funding source to which to turn has a devastating effect on the viability and creativity of the field.

## Support for a Balanced Portfolio of R&D Activities

We urge the Subcommittee to increase the funding for NIE by a modest ten percent in order to restore grant competitions in critical areas for educational improvement and reform. NIE needs to reestablish a balance in its portfolio of educational research activities. It should be in position to provide support to labs and centers as well as to field initiated studies. Presently, NIE has an extremely limited capacity to respond to innovative and creative ideas from the field or to foster interesting possibilities for interdisciplinary collaboration. While excellent work is done at the labs and centers, that is no reason to overlook or ignore the resources of the wider educational research community.

The Administration budget request includes $3 million for new initiatives in four areas: teacher education reform, excellence in postsecondary education, effective secondary schools, and educational technology. These themes are consistent with the priorities established for the center competition now underway. NIE exercised considerable thought and care in arriving at the priorities for the 11 center missions. Because of the integrity of the process in determining the center missions, AERA believes the initiatives are appropriately targeted and should receive support. Through grant competitions in these same areas, NIE has the opportunity to fund complementary and competing research efforts.

In addition, NIE should consider an open competition for grants to develop methods for assessing the impact of efforts to improve education. The reform movement now underway constitutes a grand experiment with far reaching effects on the education landscape. This opportunity to gain valuable knowledge about the educational enterprise should not be lost. Although education officials and policymakers recognize the importance of tracking their reform efforts, resources for such purposes are extremely limited. We have moved into uncharted areas in educational policy and practice where traditional measures and procedures for evaluation and testing have limited utility. NIE should devote a considerable portion of its resources to research that focuses on sorting out, and getting a handle on, the myriad of reforms instituted at the state and local level. These funds should be awarded following the peer review policy and procedures established for the labs and center competition.

Continued Support for the Lab and Center Competition

I would like to take this opportunity to comment on the lab and center competition's progress thus far. As the Subcommittee is well aware, Secretary of Education Bennett postponed the application deadline for grants to operate national research centers. The extension afforded the Secretary the opportunity to review the mission statements for the 11 centers and provide sufficient time for prospective applicants to respond to the additional guidance he might provide as a result. The Secretary's announcement of his priorities appears in the May 14 Federal Register. AERA is pleased that the notice leaves the integrity of the competition process intact. The competition has gone a long way toward enhancing NIE's standing with the research and education community. As was noted earlier, the competition not only capitalizes on a renewed sense of commitment to quality in American education but it has also fostered a sense of opportunity, creativity, and vitality among individual researchers. We ask for the Subcommittee's continued support for a fair and open competition.

There is a need now, more than ever, for an enhanced capacity for educational R&D. Educational research has sharpened the debate on the status of American education and has guided efforts to improve it. The knowledge base we have gained through research offers the possibilities for meaningful reform and the tools with which to measure its effects. Continued support of NIE is needed to ensure continued progress in improving the quality of education. Adequate funding for a balanced portfolio of research activities is absolutely critical to the health and well-being of the educational R&D enterprise. Clearly, education is too important to leave the design of policies and practices to chance. Our nation's children have a right to an education supported by the latest advances in science and technology. Inadequate funding jeopardizes NIE's activities to promote the use of existing research and precludes support for initiatives in new areas of critical need. AERA seeks your continued support for the federal role in educational R&D.

Thank you again for this opportunity to share our view with you. We would be pleased to provide the Committee with any additional information.

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### STATEMENT OF MICHAEL A. LYTLE, SPECIAL ASSISTANT TO THE CHANCELLOR FOR FEDERAL RELATIONS, TEXAS A&M UNIVERSITY SYSTEM

MY NAME IS MICHAEL A. LYTLE, AND I AM THE SPECIAL ASSISTANT TO THE CHANCELLOR FOR FEDERAL RELATIONS, THE TEXAS A&M UNIVERSITY SYSTEM. THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO SUPPORT THE FACT THAT INTERNATIONAL BUSINESS ADMINISTRATION MAY BE PERILOUSLY CLOSE TO LOSING ONE OF ITS IMPORTANT RESOURCES WITHOUT IMMEDIATELY REALIZING IT. ALTHOUGH NOT CLEARLY DISTINGUISHED AS COMMERCE LEGISLATION OR ALWAYS DIRECTLY IDENTIFIED AS A MEANS OF STRENGTHENING OUR TRADE IMBALANCES, A PROGRAM HOUSED IN THE U.S. DEPARTMENT OF EDUCATION'S OFFICE OF INTERNATIONAL EDUCATION AND FOREIGN LANGUAGE STUDIES HAS REAL VALUE TO COLLEGES OF BUSINESS ADMINISTRATION AND TO U.S.-BASED MULTINATIONAL FIRMS.

I AM SPEAKING ABOUT THE HEALTH AND VITALITY OF TITLE VI AND THE FULBRIGHT-HAYS PROGRAMS OF THE HIGHER EDUCATION ACT OF 1965 (PL 89-329). UNIVERSITIES ARE VOICING THE CONCERN THAT FEDERAL FUNDING FOR INTERNATIONAL EDUCATION IS BEING THREATENED AGAIN DUE TO THE ADMINISTRATION'S FY 1986 BUDGET REQUEST TO ELIMINATE FUNDING FOR THE OFFICE OF INTERNATIONAL EDUCATION AND FOREIGN LANGUAGE STUDIES. THIS PROPOSED ZERO-FUNDING WOULD END SUPPORT FOR APPROXIMATELY 90 NATIONAL

RESOURCE CENTERS, SOME 800 FOREIGN LANGUAGE AND AREA STUDIES FELLOWSHIPS, ABOUT 50 INTERNATIONAL UNDERGRADUATE PROGRAMS, AND APPROXIMATELY 30 MATCHING GRANTS FOR INTERNATIONAL BUSINESS PROGRAMS.

IN MY ADVOCACY FOR INTERNATIONAL PROGRAMS, I WOULD LIKE TO FOCUS MOST OF MY TESTIMONY ON INTERNATIONAL BUSINESS PROGRAMS. PLEASE ALLOW ME TO REFER TO THE CENTER FOR INTERNATIONAL BUSINESS STUDIES, WHICH IS WITHIN THE COLLEGE OF BUSINESS ADMINISTRATION AT TEXAS A&M UNIVERSITY, AS AN EXAMPLE OF THE TYPE OF PROGRAM THAT HAS A CLOSE ALLIANCE WITH THE PURPOSES OF TITLE VI. CAMPUS, STATE, AND REGIONAL ILLUSTRATIONS WILL INDICATE THE INESCAPABLE LINKAGE WHICH COLLEGES OF BUSINESS ADMINISTRATION SHARE WITH INTERNATIONAL EDUCATION; REGIONAL, AREA AND FOREIGN LANGUAGE PROGRAMS AND MARKETS AND ECONOMIES.

DECISIONMAKERS NEED TO BECOME MORE AWARE OF THE NEW, INTERLOCKING INTERNATIONAL STRUCTURE AND ECONOMIC GLOBALIZATION.

FROM WESTERN EUROPE TO THE MIDDLE EAST, AND FROM CHINA TO CENTRAL AMERICA, THE EAST-WEST STRUGGLE AFFECTS THE GLOBAL ECONOMY. THIS IN TURN AFFECTS THE SIZE OF THE FEDERAL DEFICIT. ACCORDINGLY, THIS STRUGGLE AFFECTS THE FOLLOWING: TRADE OPPORTUNITIES WITH CHINA, RUSSIA, AND THEIR ALLIES; THE INTERNATIONAL DEBT CRISIS DUE TO LARGE OUTSTANDING LOANS WITH EASTERN-BLOC NATIONS; AND THE PRICE OF OIL, WHICH CERTAINLY AFFECTS TEXAS' NEIGHBORS TO THE SOUTH.

TEXAS, ESPECIALLY, WILL BE AFFECTED BY THE CHANGES OCCURRING IN THE STRUCTURE OF THE WORLD ECONOMY. TODAY, AGRICULTURE IS A GLOBAL MARKET IN EVERY RESPECT. TEXAS' ENERGY INDUSTRY WILL PROSPER OR SUFFER ACCORDING TO INTERNATIONAL DEVELOPMENTS. HIGH-TECH INDUSTRIES WILL FACE THEIR MOST DIRECT COMPETITION FROM ABROAD. THE TEXAS FINANCIAL

INDUSTRY WILL BE MAKING DECISIONS BASED ON THE WORLD ECONOMY AND INTERLOCKING FINANCIAL ARRANGEMENTS. FINALLY, THERE IS THE RECENT AWARENESS IN TEXAS AS TO THE PROBLEMS AND OPPORTUNITIES IN THE WORLD ECONOMY. HOUSTON, DALLAS, AND SAN ANTONIO ARE FAST BECOMING INTERNATIONAL CITIES.

THE THIRD WORLD PROVIDES A CHALLENGE WITH RESPECT TO MARKETS, JOBS, AND CREDITS. CONSEQUENTLY, IT IS PROVIDING CHALLENGES TO THE UNITED STATES AND TEXAS WORKERS. JOBS ARE BEING SHIPPED OVERSEAS BY THE TENS OF THOUSANDS. HOWEVER, THE THIRD WORLD OFFERS UNPARALLELED OPPORTUNITIES FOR U.S. COMPANIES TO OPEN NEW MARKETS. THIS IS ESPECIALLY TRUE OF TEXAS COMPANIES IN THE AREAS OF AGRICULTURE, ENERGY, AND MANUFACTURING. ALL OF THIS IS OCCURRING IN AN ATMOSPHERE WITH RAPID-FIRE CHANGES BROUGHT ABOUT BY THE DEBT CRISIS. MANY FEEL THAT ULTIMATELY THIS CRISIS CAN ONLY BE SOLVED BY ECONOMIC GROWTH IN THE THIRD WORLD.

EXPORT EDUCATION AMONG BUSINESS INDIVIDUALS AND STUDENTS IS PARTICULARLY IMPORTANT TO TEXAS AND THE SOUTHWEST. THESE ECONOMIES MUST DIVERSIFY AND REDUCE THEIR DEPENDENCE ON OIL AND GAS. GREATER EMPHASIS ON THE EXPORTATION OF SERVICES, MANUFACTURING, AND AGRICULTURAL GOODS REPRESENT AN IMPORTANT CHALLENGE AND OPPORTUNITY FOR TEXAS AND THE SOUTHWEST.

GIVEN THE PROXIMITY OF TEXAS TO MEXICO, AND CENTRAL AND SOUTH AMERICA, EXPORTING (AND JOINT VENTURING) IN THESE REGIONS PROVIDE A GEOGRAPHICALLY-ATTRACTIVE OPPORTUNITY, IN LINE WITH THE INTENT OF THE BIPARTISAN CARIBBEAN-BASIN INITIATIVES. YET, MANY BUSINESS INDIVIDUALS AND COLLEGE STUDENTS REMAIN RELATIVELY UNINFORMED ABOUT THESE EXPORT OPPORTUNITIES AND PRACTICES. FOR EXAMPLE, EXPORTS TO LATIN AMERICA DECLINED MORE THAN 40 PERCENT IN THE 1980'S, DUE IN

PART TO THE STRENGTH OF THE U.S. DOLLAR AND WEAK ECONOMIES IN THE AMERICAS.

FURTHERMORE, THERE IS A NEED FOR SUBSTANTIAL INTERNATIONAL EMPHASIS IN COLLEGE AND UNIVERSITY CURRICULA AND IN FACULTY DEVELOPMENT. IF THE NEXT GENERATION OF MANAGERS ARE TO BE WELL-INFORMED AND WELL-EDUCATED IN WORLD AFFAIRS AND GLOBAL MARKETS, THEN BOTH THE LIBERAL ARTS AND THE INTERNATIONAL BUSINESS CURRICULUM MUST BE STRENGTHENED.

THIS INTENT IS PARTIALLY MET WITH THE USE OF TITLE VI MATCHING FUNDS, TO SUCH INSTITUTIONS AS THE CENTER FOR INTERNATIONAL BUSINESS STUDIES AT TEXAS A&M UNIVERSITY'S COLLEGE OF BUSINESS ADMINISTRATION. TYPICALLY, THESE INTERNATIONAL BUSINESS PROGRAMS SERVE AS A FOCAL POINT FOR EDUCATION, RESEARCH, AND SERVICE IN INTERNATIONAL BUSINESS WITH THE OBJECTIVE OF ESTABLISHING THEMSELVES AS MAJOR STATE AND NATIONAL RESOURCES IN INTERNATIONAL BUSINESS. THE CLOSE TIES BETWEEN THE TEXAS A&M UNIVERSITY'S CENTER FOR INTERNATIONAL BUSINESS STUDIES AND THE U.S. DEPARTMENT OF EDUCATION'S TITLE VI AND FULBRIGHT-HAYS PROGRAMS MUST INCLUDE THE FOLLOWING CONSIDERATIONS:

1. ONE OUT OF EVERY EIGHT U.S. MANUFACTURING JOBS ARE ATTRIBUTABLE TO EXPORTS.

2. OVER 285,000 JOBS IN TEXAS ARE DIRECTLY DEPENDENT ON THE EXPORTATION OF MANUFACTURED GOODS; THE THIRD LARGEST IN THE UNITED STATES (BEHIND NEW YORK AND CALIFORNIA). THIS NUMBER COULD INCREASE DRAMATICALLY IN THE NEXT DECADE.

3. U.S. INTERNATIONAL TRADE TOTALED $450 BILLION IN 1983 WITH A $57.6 BILLION TRADE DEFICIT.

4. EXPORTS AMOUNTS TO 25 PERCENT OF U.S. PRODUCTION.

5. THE PORT OF HOUSTON IS A NATIONAL LEADER IN FOREIGN TRADE TONNAGE.

6. TEXAS RANKS SECOND, ONLY TO CALIFORNIA, AMONG STATES WITH DIRECT FOREIGN INVESTMENTS.

7. THE U.S. SHARE OF WORLD TRADE DROPPED FROM 18 TO 13 PERCENT BETWEEN 1969 AND 1981.

8. THE DEBT CRISIS IN LATIN AMERICAN COUNTRIES AND THE THIRD WORLD HAS SIGNIFICANT IMPLICATIONS TO WORLD-WIDE ECONOMIC AND SOCIAL STABILITY.

9. THE MAJORITY OF BUSINESS SCHOOL GRADUATES WILL BE WORKING IN ORGANIZATIONS THAT ARE ENGAGED IN INTERNATIONAL TRANSACTIONS.

10. THE PRESIDENT OF TEXAS A&M UNIVERSITY AND THE TARGET 2000 LONG-RANGE PLANNING GROUP RECOMMENDED THAT TEXAS A&M UNIVERSITY ASPIRE TO "WORLD" UNIVERSITY STATUS, IMPLYING GREATER INVOLVEMENT IN INTERNATIONAL CURRICULUM, RESEARCH AND SERVICE.

11. THE AMERICAN ASSEMBLY OF COLLEGIATE SCHOOLS OF BUSINESS (AACSB), THE ACCREDITING BODY OF COLLEGES OF BUSINESS ADMINISTRATION, HAS IDENTIFIED INTERNATIONALIZATION OF THE BUSINESS CURRICULUM AS A REQUIREMENT FOR ACCREDITED BUSINESS SCHOOLS.

12. THE INTERNATIONAL BUSINESS DIVISION OF THE HOUSTON CHAMBER OF COMMERCE AND THE DALLAS-BASED CENTER FOR INTERNATIONAL BUSINESS (AN ASSOCIATION OF CHIEF EXECUTIVE OFFICERS FROM MULTINATIONAL FIRMS) HAVE FORMALLY ENDORSED THE NEED FOR A STRONG

CENTER FOR INTERNATIONAL BUSINESS AT TEXAS A&M UNIVERSITY.

RELATIVE TO THE BROADER VIEW OF INTERNATIONAL EDUCATION, IF THE ADMINISTRATION'S BUDGET REQUEST WERE TO BE ACCEPTED, THEN ITS IMPACT WOULD BE DEVASTATING. ITS APPROVAL WOULD EFFECTIVELY SHUT DOWN INTERNATIONAL AND FOREIGN LANGUAGE PROGRAMS ON U.S. CAMPUSES. FEDERAL SUPPORT IS ABSOLUTELY CRITICAL IN LEVERAGING THE EXTRAORDINARY EXPENSE OF MAINTAINING LOW ENROLLMENT, BUT NATIONALLY IMPORTANT, FOREIGN LANGUAGE AND AREA STUDIES COURSES. WHILE FEDERAL SUPPORT HAS NEVER AVERAGED MORE THAN 10 TO 15 PERCENT OF THE ACTUAL COST OF FOREIGN LANGUAGE, AREA STUDIES AND AREA STUDIES CENTERS, SUCH SUPPORT GENERALLY IS THE PREDOMINATE FACTOR IN PERMITTING THE CENTERS TO ATTRACT INSTITUTIONAL, STATE AND PRIVATE RESOURCES. FURTHER, IT IS USED TO SUPPORT COMPONENTS OF CENTER ACTIVITY SUCH AS SCARCE LIBRARY COLLECTIONS. FOR UNDERGRADUATE PROGRAMS, FEDERAL SUPPORT OFTEN PROVIDES THE BULK OF TOTAL PROGRAM INITIATION FOR NEW PROGRAMS.

THE DECEMBER, 1983 REPORT TO THE SECRETARY OF EDUCATION BY THE NATIONAL ADVISORY COMMITTEE ON INTERNATIONAL EDUCATION PROGRAMS CITES THE RELATIONSHIP OF INTERNATIONAL EDUCATION TO THE EDUCATIONAL REFORMS PROPOSED IN A NATION AT RISK. THE 1984 LAMBERT REPORT, BEYOND GROWTH: THE NEXT STAGE IN LANGUAGE AND AREA STUDIES MAKES VERY EXPLICIT THE RECOGNITION WITHIN THE FEDERAL GOVERNMENT THE NATIONAL REQUIREMENTS IN THESE AREAS, NOT ONLY FOR STRONG DEFENSE, BUT ALSO FOR INTERNATIONAL COMMERCE.

THE ECONOMIC VITALITY OF TEXAS AND THE NATION IS INCREASINGLY DEPENDENT ON INTERNATIONAL TRADE, CONTEMPORARY HIGHER EDUCATION IN GENERAL, AND BUSINESS EDUCATION IN PAR-

TICULAR TO INFUSE GREATER INTERNATIONAL EMPHASIS INTO THE CURRICULUM AND STUDENT DEVELOPMENT. THE VITALITY OF SUCH EFFORTS IS CLOSELY TIED TO THE CONTINUED FUNDING OF TITLE VI AND THE FULBRIGHT-HAYS PROGRAMS AT THE U.S. DEPARTMENT OF EDUCATION.

I ADVISE YOU AND YOUR STAFF TO ANALYZE THE VARIOUS LITERATURE SOURCES AND TESTIMONY BEFORE YOU AS BACKGROUND, REFLECTING ON THE NATIONAL NEED FOR SUSTAINING THE CRITICAL BASE IN INTERNATIONAL EDUCATION PROGRAMS. AT A MINIMUM, STEADY-STATE FUNDING WOULD MAINTAIN PROGRAMS THAT DEVELOP COMPREHENSIVE KNOWLEDGE OF ECONOMIC, SOCIAL, AND POLITICAL AFFAIRS OF OTHER CULTURES; SUPPORT LANGUAGE TRAINING; ASSIST RESEARCH AND AREA STUDIES; AND STIMULATE IMPROVED INTERNATIONAL ECONOMIC PERFORMANCE BY AMERICAN BUSINESS THROUGH COOPERATIVE EDUCATION AND TRAINING ACTIVITIES WITH INSTITUTIONS OF HIGHER EDUCATION.

IN CLOSING, I ASK YOU TO SUPPORT IN-PRINCIPLE AND IN-SPIRIT THE PURPOSES EXPRESSED IN SENATE CONCURRENT RESOLUTION 35 AND TO PLACE STRONG LANGUAGE IN THE SUBCOMMITTEE REPORT FAVORABLE TO INTERNATIONAL EDUCATION.

## ATTACHMENT I

### FUNDING PATTERNS

| | | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|---|---|---|---|---|---|---|---|
| AUTHORIZATION (in millions) | | | | | | | |
| | | $45 | $50 | $60 | $70 | $80 | |
| APPROPRIATIONS (in millions) | | | | | | | |
| TITLE VI | A | $21.8 | $19.2 | $20 | $23.8 | $24.3 | |
| | B | 0 | 0 | 1 | 2 | 2.2 | 0 |
| TOTAL | | $21.8 | $19.2 | $21 | $25.8 | $26.5 | $0 |
| FULBRIGHT | | 6.2 | 4.8 | 5 | 5 | 5.5 | 0 |
| TOTAL | | $28.0 | $24. | $26. | $30.8 | $32. | $0 |

## STATEMENT OF ROBERT D. EVANS, DIRECTOR, GOVERNMENTAL AFFAIRS GROUP, AMERICAN BAR ASSOCIATION

I am Robert D. Evans, Director of the Governmental Affairs Group of the American Bar Association. I submit this testimony on behalf of the Association at the request of our President, John C. Shepherd, to express our support for the continued funding of the Council on Legal Education Opportunity and the clinical legal experience program.

These two programs are modest in size, each receiving only $1.5 million for the current fiscal year. But they have an impact which goes far beyond their small size.

The Council on Legal Education Opportunity, or CLEO, has been a major factor in the dramatic rise in the number of persons from disadvantaged backgrounds, particularly minorities, receiving a legal education. Our Association joined with other concerned organizations in 1968 to create CLEO as a means of addressing the problem of the underrepresentation in the legal profession of minorities and other disadvantaged persons. The program has sought to identify such persons and encourage them to apply to law school; to provide special pre-law school training to assist their entry into law school and their performance once enrolled; and to aid them financially while there.

When the program began in 1968, only one per cent of the nation's lawyers were members of minority groups. That figure has grown to more than 4%, and the figure continues to rise as the number of minorities entering law school increases each year. The percentage of minorities in the first year class at the nation's law schools this year is 10.9%, up from 10.7% last year. Minorities now make up 9.9% of the law school student body nationally, up from 9.8% last year.

CLEO has provided the opportunity for over 3500 students to attend law school. But beyond the students it has aided directly, the program has served to encourage law schools to increase their own efforts to ensure that all segments of society will be adequately represented in their student bodies and, ultimately, in the legal profession.

Congress last year provided the program its first increase in ten years, from $1 million to $1.5 million. While this increase was most welcome, it did not restore the program to its 1974 level when adjusted for inflation. The increase will permit CLEO fellows to receive stipends of $1750 rather than $1000 in the coming year; but this amount remains well below the stipend amounts under other federal programs for graduate and professional students, which provide assistance of $4200 or more.

Last year, we suggested an appropriation of $1.75 million be provided so that stipends could be increased to $2000--still below the 1974 inflation-adjusted level of CLEO stipends and well below the assistance provided through other graduate and professional programs. We renew the request this year.

The clinical legal experience program, which is also currently funded at $1.5 million, is a much-needed supplement to the resources being spent each year by law schools on clinical legal education. These clinical programs, like their counterparts in the medical schools, permit the student to gain experience in the actual provision of services to those in need and to assume the professional responsibility of making decisions vitally affecting their clients. Clinical experience thus provides an invaluable ingredient in the student's training, greatly strengthening his or her ability to provide quality legal services to consumers upon graduation.

Such programs, however, necessarily involve close supervision and review of the students by law professors and practicing lawyers, and the student-teacher ratio must be far lower than in a conventional classroom teaching arrangement. Currently, 236 faculty members are devoting all their time to clinical programs, and 974 faculty members are devoting part of their time. In addition there are 214 full-time and 364 part-time clinical instructors. While the law schools have diverted funds from other educational activities to experiment with and improve upon clinical experience programs, they are finding it increasingly difficult to support further expansion and improvement of these programs.

We believe this program has demonstrated clearly its effectiveness and should receive ongoing funding, and we urge your subcommittee to support an appropriation of not less than the current $1.5 million.

## STATEMENT OF ARTHUR A. RICHARDS, PRESIDENT, COLLEGE OF THE VIRGIN ISLANDS

Regrettably, much of the promise of the Higher Education Act has yet to be realized in my district, the United States Virgin Islands.

In large measure, this is because of circumstances that apply particularly to an insular area; circumstances which, on the main, apply to other territories as well.

These conditions have to do largely with our location distant from the U.S. mainland, and in an underdeveloped region of the world. This region, the Caribbean Basin, includes many small islands and countries which, while politically distinct from each other, have strong historical, cultural, and family ties.

Let me describe a few of the characteristics for you so that you can better understand our problem.

First, within the full-time student body of the College of the Virgin Islands, fully 25 percent of the students are citizens of neighboring non-U.S. islands, citizens of the Caribbean Basin countries.

After completing their studies, during which they become familiar with our democratic traditions, these students return home. There they make contributions to the development of their own countries. This is clearly in the interest of the United States and the hemisphere. As President Ronald Reagan recognized, it is a central initiative of the Caribbean Basin initiative.

Second, the per capita income in the Virgin Islands is approximately only 60 percent of that on the mainland.

Third, the cost of living is estimated to be one-third higher than on the U.S. mainland. Specific items may cost even more.

Fourth, significant additional costs result from the fact that the local infrastructure is limited. There must be compensation for deficiencies in available local human and technical resources.

These factors should be considered when the College of the Virgin Islands seeks to access federal higher education programs. However, these programs tend either to exclude our participation or to allow it only in limited ways. They fail to recognize the type of unique circumstances I have cited.

Thus, it is imperative that we expand the scope of what is now Section 1204 of PL 96-374, Higher Education Amendments of 1980. This provision of the law authorizes the Secretary of Education to allow modifications of program requirements for the necessary participation of the territories.

For reasons that are obscure, the Department of Education has shown great reluctance to exercise this authority as Congress intended.

For example, in the Title III programs for aid to developing institutions, the criteria placing emphasis on Pell Grant recipients have not been modified in our case in consideration of the large number of foreign nationals in our population who cannot qualify for Pell Grants.

Only after several months of intensive efforts and White House intervention was a waiver of this requirement granted, but only for 1982.

The Housing for Educational Institutions program, authorized under Title IV of the Housing Act of 1950, provides another example. The number of students whom the College of the Virgin Islands should house on campus is substantial. However, it falls below the minimum required for assistance. Because CVI does not have enough students with one-hour commute to campus, an impossibility on an island whose greatest single dimension is 13 miles, it is not eligible for this aid. On appeal, the Secretary agreed that geography precluded long distance commuting for us, but he went on to state that it was "administratively prohibitive" to take into account such differences among all applicants. This in the face of his ability to grant a waiver.

These and other experiences demonstrate that the present waiver authority vested in the Secretary of Education should be made mandatory. Because CVI's experiences are mirrored in the other territories, the waiver should be broadened for all.

Further, the waiver should be extended to all programs administered by the Department of Education, not just those in the Higher Education Act.

Additionally, the law should establish priority status for territorial programs, to offset rating systems which do not take into account our unique circumstances.

Access to federal higher education programs should be available to every jurisdiction where the American flag flies; in the Caribbean, in the Pacific, and in between; in jurisdictions that are small in size, as well as those of great expanse; in states and territories which because of their geography have substantial numbers of non-citizens, as well as those which do not; and on American soil where the need may indeed be greatest because of unique social, economic, and geographic circumstances.

The College of the Virgin Islands continues to support a continued federal role in such areas as student financial aid, teacher training, library assistance, international education, academic facilities, the Minority Institutions Science Improvement Program (MISIP), and in the program for endowment development.

The details of its views in these and other areas have been developed in concert with the American Council on Education and other associations with which the college is affiliated.

Favorable consideration of these problems I have outlined will go a long way toward assuring full participation of the U.S. Virgin Islands and the other territories in the national quest for broadened higher educational opportunities.

It is worth noting that while the impact of these improvements will be significant for us, it will be a slight portion of federal aid to higher education. There is every reason for Congress to embrace these recommendations, thereby making clear beyond any doubt the legislative intent with respect to territorial access to higher education programs. Failure to take action would be tantamount to sanctioning denial to the territories of the full benefits of these programs on a par with the country as a whole.

Thank you, Mr. Chairman, for allowing the College of the Virgin Islands to express its needs before you and the distinguished committee.

## RELATED AGENCIES

### STATEMENT OF DAVID V.B. BRITT, EXECUTIVE VICE PRESIDENT, CHILDREN'S TELEVISION WORKSHOP

Senator INOUYE. All right. Our next witness is Mr. David V.B. Britt of the Corporation for Public Broadcasting.

Mr. BRITT. Thank you, Mr. Chairman. I am not really from the Corporation of Public Broadcasting. I am from the Children's Television Workshop to testify in support for funds to the Corporation for Public Broadcasting.

Senator INOUYE. Much more important.

Mr. BRITT. I don't think I better respond to that one.

First, like everyone else who is disgruntled with the help for undereducated children, I would like to thank you and the chairman and the leadership who support the efforts of all of you.

Today, I am here to urge you to support the highest possible appropriation for the Corporation for Public Broadcasting for fiscal year 1986 and to urge the Department of Education to commit more funds for educational television.

The Children's Television Workshop obviously has a direct interest in these appropriations. Community service grants from CPB will be used, in part, to help support television programs such as "Sesame Street." Funds have been provided by both CPB and the Department of Education for "3-2-1 Contact," our educational television series designed to make science more appealing and understandable to millions of 8- to 12-year-olds.

We are also requesting major funding from both of these agencies for our new mathematics series, also for ages 8 to 12. The new series will help the crisis in math and education by using the power and impact in television to promote enthusiasm for interest in mathematics and to encourage the use and application of problem-solving strategies in mathematics and finally, to present sound mathematical content in an interesting, accessible, and meaningful manner.

We requested $3 million each from the Department of Education and the Corporation for Public Broadcasting, as well as support from the

National Science Foundation. This support is obviously crucial to putting together the funding required in the series. We anticipate additional support will be provided by foundations and major U.S. corporations.

With respect to "3-2-1 Contact," we are asking the Department of Education once again this year for $1.5 million. Last year, they could provide only $1 million, and CPB has been providing $1 million for that series each year.

The need for an educational series in math and science is clear. American children receive trivial amounts of science and math education compared to other countries, such as Japan and the Soviet Union. Worse, our students begin to lose interest in those subjects in the upper elementary grades, just precisely the grades we are trying to reach.

Illiteracy and illiteracy in math and science is a national fact of life. There are no television illiterates. Children watch television every day. From 6 to 7 years old, on average they watch 27 hours per week, more time than they spend in school.

Simply training teachers in math in science and introducing a mandatory curriculum will not close the gap. Positive motivation, interest, and a sense that they can master these subjects needs to occur in late elementary years.

These are the goals of our proposed math series of "3-2-1 Contact." Each week, about 5 million viewers watch "3-2-1 Contact" at home. With the combination of some new programs each year and repeat airings of earlier seasons, "3-2-1 Contact" is, in fact, an education bargain, costing about a penny per viewer per viewing.

We are concerned about our children, and we know they are, too. If we are concerned about our competitive edge in the next decade, we need to recognize television as a constructive force. For educational purposes, it is highly cost effective and available and appealing to rich, poor, black, brown, white, girls as well as boys.

Federal funding is essential if we are to continue this work.

### PREPARED STATEMENT

Thank you, sir. I have a full statement, if it could go in the record.

Senator INOUYE. Without objection, so ordered.

All I can say is that I agree with you.

Mr. BRITT. I bring you greetings from Jeff Watanabe, a constituent and a former staffer of yours, a former trustee of the workshop.

Senator INOUYE. You have got a good man.

[The statement follows:]

## STATEMENT OF DAVID V.B. BRITT

Thank you for the opportunity to appear before you today. I am here to urge you and your Subcommittee to:

- -- support the highest possible appropriation for the Corporation for Public Broadcasting for FY 1988;
- -- encourage the Department of Education to commit more funds for educational television, particularly in the areas of science and math.

Children's Television Workshop has a direct interest in these appropriations. Community Service Grants from CPB will be used in part by public television stations to help support SESAME STREET; funding has been provided by both CPB and the Department of Education for 3-2-1 CONTACT (our educational television series designed to make science more appealing and understandable to millions of 8-to-12 year-olds); and we are requesting major funding from both agencies for our new mathematics series for 8-12 year-old children.

This new mathematics series will help address the national crisis in math education by using the power and impact of television:

- -- to promote enthusiasm for and interest in mathematics;
- -- to encourage the use and application of problem-solving strategies in mathematics;
- -- and to present sound mathematical content in an interesting, accessible and meaningful manner.

The 65 half-hour programs will be suitable for viewing both at home and in the classroom, and teachers guides will be available. The anticipated airdate is the fall of 1986.

As with 3-2-1 CONTACT, we anticipate that the series will be broadcast by most of the public television stations around the country both during the day for in-school use and in the late afternoon for home viewing.

We understand the National Science Foundation will soon commit $5 million for this new math series. We have requested $3 million each from the Department of Education and the Corporation for Public Broadcasting. Their support is crucial to putting together full funding for the series. We anticipate additional support will be provided by foundations and a major U.S. corporation.

The National Science Foundation also has made a long-term commitment to our science series, 3-2-1 CONTACT, to provide a third of the funding necessary to produce 20 new programs in each of the next four years -- $1.5 million plus each year. This was part of a planned funding effort of $1.5 million plus each year from DOE. Last fiscal year DOE provided only $1 million, and we very much hope that in future years they will provide the full share of their funding for 3-2-1 CONTACT. CPB has been providing $1 million each fiscal year toward the series.

America's industrial leadership rests on science and technology, but it is increasingly clear that these fields are not very appealing to America's young people. The national problem with scientific literacy, as well as the tiny proportion of students electing to pursue higher education in science, does not occur merely at the high school level. The problem starts at the elementary grades, where teachers are least prepared to teach science, and where states are least rigorous in setting standards for science curriculum and for certification of science teachers.

Our research into the need for a math series and the form it should take has confirmed the sad state of math education in this country. Two salient points underline the situation:

o Between 1960 and 1980, science and mathematics scores dropped. "The mean score on mathematics on the well-known SAT was 502 in 1963 and 466 in 1980."

- A recent article citing National Science Foundation data reported that 75% of 1980 high school graduates were unqualified to take college-level mathematics.

Illiteracy, and illiteracy in math and science, is a national fact of life. But for better or for worse there are no television illiterates. Children watch television every day. From six to eleven years old, on average they watch 27 hours per week -- as much, or more, time as most spend in school.

Parents are, and should be, encouraged to limit viewing time of their chldren. Broadcasters are, and should be, encouraged to reduce violence and other anti-social behavior modelled on television. But it is safe to say that television much as we know it today is here to stay -- and that children are unlikely to turn away from the tube in large numbers.

Our choices are not limited to trying to mitigate the widely perceived bad effects of television for children. Childrens television can be constructively educational -- not just the opposite. And our own programs -- SESAME STREET, THE ELECTRIC COMPANY, 3-2-1 CONTACT, as well as other educational programs, have proved that children will watch and pay attention to educational programming carefully designed and effectively produced for them.

In short, we have in hand a tool -- quality educational television -- that works, and works effectively and economically for millions of children. The NSF has picked up that tool and put it to work -- first for science and technology, and soon, we expect for math.

The record shows that this work is desperately needed. Compare, for example, the formal in-school instruction of children in Japan and the Soviet Union with the United States.

In Japan, in grades nine through 12, nearly all college-bound students take three natural science and four math courses. About 30 percent of Japanese high school students have had computer-related instruction by the time they graduate. In the Soviet Union, all children complete a mandatory program that includes 10 years of math, five of physics, four of chemistry, five and a half of biology, and five of geology.

In this country, on the other hand, two thirds of all high school students have taken a trivial two years of math by the time they graduate. And only 5 percent receive experience with computers while in high school.

Given the fact that it takes time to train teachers in subjects such as math and science, even introducing a mandatory curriculum will not close this gap quickly. Moreover the fact is that children in this country -- most especially girls and minorities, are uninterested -- turned off -- by math and science by the time they begin high school. Positive motivation, interest and a sense that they can master these subjects needs to occur in late elementary years.

These, of course, are precisely the goals of 3-2-1 CONTACT and our proposed math series. Television can supplement work in the schools, and do things visually in these subjects which most schools simply cannot.

Each week on average 5 million viewers watch 3-2-1 CONTACT at home. With the combination of some new programs each year and repeat airings of earlier seasons, 3-2-1 CONTACT costs only one penny per-person per-viewing.

Children's Television Workshop works hard to ensure that 3-2-1 CONTACT has an impact beyond the screen. Teachers Guides are provided and teacher training workshops conducted around the country. Over 750,000 copies of the Teachers Guide have been distributed so far. Strong participatory activities are taking place with a variety of organizations such as science museums and the Girl Scouts of America.

Science clubs for children based on the series are also gaining momentum with club packages and activity guides being provided.

With 3-2-1 CONTACT, the new math series will provide a daily hour of science and math education for elementary school age children, and will complement the daily hour of SESAME STREET for preschoolers.

If we are serious about maintaining our competitive edge in the coming decades, we need to give sustained attention to children's television, a readily available means of helping to meet this country's need for high quality, low cost supplemental education in math and science.

We're concerned about our children -- and we know you are too. It is time to recognize the proven benefits of television as a constructive force. For educational purposes it is highly cost effective and available and appealing to rich and poor, girls as well as boys.

Federal funding is essential to ensure the production of programs such as 3-2-1 CONTACT and our proposed math series. CPB and the Department of Education stand as essential funding sources for these television efforts in science and math education.

We would like to take this opportunity to applaud CPB for its new initative to provide more funding for chldren's programs.

As discussions of funding for public television swirl around such issues as enhanced underwriting and UHF/VHF signal changes, it is easy to forget that in many respects the backbone of public television is its educational services, and that it is these services that are the most dependent on Federal funding.

The Corporation for Public Broadcasting needs and merits your support.

We urge that the Department of Education be encouraged to provide more funding for educational television, as a cost-effective investment in the education of our children, and particularly in the crucially important areas of science and math.

## STATEMENT OF WARD CHAMBERLAIN, NATIONAL ASSOCIATION FOR PUBLIC TELEVISION STATIONS

## ACCOMPANIED BY JERRY FRANKLIN, GENERAL MANAGER, CONNECTICUT PUBLIC TELEVISION

Senator INOUYE. Our next witness is Mr. Ward Chamberlain of the National Association for Public Television Stations.

Mr. CHAMBERLAIN. Thank you very much. I am president of channel WETA, channel 26 in Washington. I have with me Gary Frakey, the general manager of Connecticut Public Television. We don't need to tell you and Senator Weicker and your committee about public television. You have been staunch supporters and have understood the needs that we have in public broadcasting.

My purpose is to urge you to, in looking at the 1988 appropriation, to bring to us the full amount of the authorization. We don't know exactly what the authorization bill is going to provide yet, but we ask you to bring to us the full amount of that authorization.

Now, in public television, we have to look ahead a number of years. Why do we do that? Take tonight, for example: we have on channel 26 and across this country two remarkable programs: The first one is the second program of a series called "Space Flight," which is the real story, not a dramatized story, of our space program; and that is followed by a remarkable 90-minute biography of the great American author Herman Melville. Both of those two programs were started 3½ to 4 years ago, and it was money committed at that time to enable us to have these programs tonight in this year.

What we are concerned about in public television is the fact that we are looking ahead now 3 or 4 years. What is going to be in the pipeline? How are we going to develop these programs that cost a lot of money and that require a great deal of planning and funding?

The real need that we have, and the need that we have for this Federal money in my opinion, not only does it help the public television stations like mine and like Jerry's that he will add a remark or two in a minute; is that it provides the major funds that we have for these important programs that are produced 3 or 4 years ahead.

It is for that reason, Mr. Chairman, that we request that you do as you have done in the past, and that is, to do the best you can in giving us the full amount of the authorization bill when it comes through.

I thank you very much for this, and Mr. Franklin is just going to support this with a remark or two on Connecticut Public Television.

Jerry?

Mr. FRANKLIN. Thank you.

Mr. Chairman, just to sum up what Mr. Chamberlain said, we were here 3 or 4 years ago, and we asked this committee not to be misled by the promise of cable television, and you were not. I am happy to say now that in Connecticut, which is one of the most heavily cabled States in the Nation, and with the onslaught now of two or three commercial independent stations coming on line, it is public broadcasting that continues to increase its audience share on a weekly basis.

We are more popular than ever. Despite what has been said about cable television, cable television has not destroyed public television. Cable television is a wonderful distribution system. We think we are a wonderful programming system.

I urge you to continue the excellent support which you have given us over the years. I remind you it is the Federal funding that, in my opinion, is the glue that holds this system together. If we lose the Federal funding, stations all across the country would be forced to develop programming schedules that have very little resemblance to the National Public Broadcasting schedule that I know you appreciate and you fought for so hard over the years to maintain.

So I urge you to continue your best support for a national treasure, public broadcasting.

Senator INOUYE. Thank you. If Chairman Weicker were here, he would say, "I will do my best."

Mr. CHAMBERLAIN. Thank you, sir.

Mr. FRANKLIN. Thank you sir.

PREPARED STATEMENT

Senator INOUYE. Thank you. Your statement will be inserted in the record.

[The statement follows:]

## Statement of Peter M. Fannon, President, National Association of Public Television Stations

Mr. Chairman, and Members of the Subcommittee, it is a distinct pleasure to provide this testimony in support of increased funding for the Corporation for Public Broadcasting (CPB) on behalf of the nation's public television stations. We would be remiss, however, if we did not at the outset express our sincere thanks to you and to the Subcommittee for your successful support last year to sustain the crucial forward funding process for public broadcasting by providing an appropriation of $200 million for fiscal year 1987. In addition, we thank you this year for denying the Administration's proposed $14 million rescission from those funds. The entire public television community is grateful and we look forward to continuing our partnership this year. These actions are the only means possible in our not-for-profit enterprise to plan and commit to productions and future programs which serve the public.

RECOMMENDATION

We come to you this year seeking levels of federal support necessary to fulfill our mission to educate and enrich all Americans through the programs and services provided by over 300 public television stations licensed to nearly 180 community organizations, schools, colleges and universities, and local and state governments. While we are all too aware of the effect that last year's two Presidential vetoes had on our supporters in Congress, we are equally aware of public broadcasting's needs merely to maintain services at the level provided in 1982--a key year in public television's development--and eventually to work toward our system's "excellence in programming" goals we presented to you last year.

We estimate that needed federal support will be for $244 million for FY1988. For future years, we estimate the necessary federal contribution at: FY1989, $264 million and FY1990, $286 million. These figures represent the difference between the cost of sustaining the 1982 level of service and the total amounts we now estimate will be available from all other non-federal sources. Because many other sources are growing, those federal shares of public broadcasting's budgets will not grow as fast and will represent a continuing decline in the overall proportion from the government via CPB.

The President and Chairman of the Board of CPB have appeared before your Subcommittee to testify to the funding levels proposed in the President's budget for FY1988 $214 million and in FY1989 $246 million, and FY1990 $283 million. Those proposals will leave public television and radio considerably short, and would necessitate system cuts. So we ask your consideration of the current services levels, which alone will not permit real growth anyway.

Negotiations are continuing on the authorization bill for CPB for fiscal years 1988-1990 and we have every hope that an acceptable bill can be passed before a decision on the CPB appropriation must be made. Senator Goldwater and the Commerce Committee began that process last week by introducing and considering S.1083, the Public Broadcasting Amendments Act of 1985.

The radical uncertainty and vetoes in federal funding of the recent past have hit public stations and the nationwide system they support at their very heart. As a result, public television has lost a great deal of momentum painstakingly built over the first ten years of predictable, matching federal support. Efforts were undercut to make program and personnel commitments, to make multiyear plans and to keep orderly production schedules for programming that already had spent years in the pipeline.

It was no coincidence that in these past few years, we have witnessed some of the best programming that public television has had to offer. Our audience levels have reached new heights, contributions from individual viewers have steadily increased, and the quality of our programming has continued to improve and received greater acclaim. We have seen enrollment in college "telecourses" distributed through PBS increase. We have seen both children and adult audience levels reach all-time heights. We have seen subscriber support--donations from individual viewers--become the fastest growing sector of income for public television and become the largest sector of income for all of public broadcasting. It wasn't magic; it was momentum and improvement planned and built over prior years which let us make this progress, and helped us begin to meet the needs and expectations our country have of public television.

But, the effects of the severe reductions of 1981 are now showing up on the screen. For the first time in many years, we will see no new major American-produced series in next year's programming lineup. It would be a terrible blow to our public service if we must fall back to rely on more imported programs again, and not produce more with the talent and quality possible in this country. We know that there are hardly any major new commitments and very few substantial programs in development. It takes years to develop and bring these programs to the air. And who, in our non-profit business can assume those financial risks? No one.

We also see our stations paying more for fewer hours of programming, and we see award-winning shows dropped for lack of new episodes or for the money to continue, just as expenses increase and overall real spending power decreases. So we seek your support for adequate levels to continue our work at least at current, rebuilt levels.

PROGRAMMING ATTRACTS LARGER AUDIENCES

This year saw the premiere of Capitol Journal, a half hour public affairs show hosted by Hodding Carter that focuses specifically on Washington and its lawmakers and broadly on how the lawmaking process and those responsible for it are perceived around the country. We have also witnessed the expansion to one hour nightly of the McNeil/Lehrer news series, now appropriately named Newshour, which continues to provide our viewers with in-depth analyses of current news stories. The public affairs series Frontline produced by WGBH/Boston also continues to provide a large viewing public and critical acclaim for its efforts, including the recently-aired historical analysis of Central America.

Our children's educational series continue to attract large audiences with their innovative and highly successful learning formats. Despite the discontinuation this fall of

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the prize-winning daily series The Electric Company, our shows Sesame Street, Reading Rainbow, and 3-2-1 Contact will be viewed by 18 million children at home and in school this year. The Children's Television Workshop hopes to add 20 new programs to 3-2-1- Contact by this fall. In addition, their new mathematics series for 8-12 year olds is currently in development and may be ready for broadcast as early as 1986.

Our science and nature programming continues to attract large numbers of viewers, equally fascinating and educating its intended audience. These programs reach 21.9 million households--or 43 million viewers--in this country every week. National Geographic Specials produced by WQED/Pittsburgh are represented six times on the list of PBS's ten all-time most watched programs, with The Sharks, Land of the Tiger and The Incredible Machine holding the top three slots. Our eight-part landmark series The Brain, produced by WNET/New York, received wide viewership due in part to widespread public curiosity about the workings of the "incredible three pound machine" and in part to the wonderful adaptability of video technology to the complex subject matter. This series spent five years on the drawing boards, its concept, design, and production continually threatened by lack of resources. The weekly science series NOVA from WGBH/Boston is seen by as many as 18 million Americans per broadcast and are the most highly used PBS programs as instructional television in our nation's schools. NOVA has also received great applause from the media and public officials for presenting the scientific facts behind many domestic and international policy issues from acid rain to biological warfare to toxic waste.

Our programming in the arts and humanities continues to provide a window into our nation's great artistic and cultural institutions for many of our citizens who would otherwise never see them or experience their benefits. Great Performances, American Playhouse, Live from Lincoln Center, and other series continue to enrich the lives of all Americans by offering important and enticing invitations to lively arts. The new twelve-part documentary on the People's Republic of China, The Heart of the Dragon, has attracted wide audiences by bringing into American homes people and culture from the other side of the world. The great success of the WNET/New York-produced series Heritage: Civilization and the Jews in bringing history alive for over seven million viewers came after seven years of planning, research and production--years fraught with additional expenses due to financial uncertainty.

## EDUCATION: A TOP PRIORITY

Both Heritage and The Brain have been adapted for use by the PBS Adult Learning Service (ALS) which distributes through the stations credit "telecourses"--college-level television series supplemented and reinforced with textbooks, study guides, and class meetings--to nearly 300,000 two- and four-year college and university students, many of them of "non-traditional" age, enrolled at over 750 institutions of higher learning across the country. A recent survey commissioned by the CPB/Annenberg Project of ALS students found that over two-thirds of the telecourses students were female, and most were 23-29 years of age.

This growing service supported through student fees in the fall of 1984 offered over 1600 courses and is adding innovative physics, business and earth science courses next year. The applications of this technology to secondary school teacher training, particularly in math and science fields, has become increasingly important as the nation attempts to fill critical shortages of well-prepared secondary school teachers.

More than half of all television homes now watch public television every week, and over 85% view it every month. This means that virtually everyone in the country is now finding important programs to watch regularly.

In addition, public television stations continue to serve educational institutions in many ways. Over 18 million school children see instructional television broadcasts or are utilizing videotape cassettes in their classrooms. The Kentucky Network continues to provide a growing number of adults throughout the nation with General Education Degrees (GED) via public television stations.

Most of these activities are supported entirely with local funds, but they could be aided considerably with federal education money toward this goal. We ask that an appropriate amount of the Secretary of Education's Discretionary Fund be earmarked for educational telecommunications to guarantee that such funds are actually expended for this purpose.

## PRIVATE DONATIONS INCREASE

As a reaction of loyal viewers to serious cutbacks in federal funding and as a result of better fundraising techniques, subscriber support--contributions or "membership pledges" by private individuals--is currently the fastest growing sector of public television's income. Between 1981 and 1984, public television's income from subscription increased 66%, from $95.4 million to $157.9 million. Subscription income now comprises the largest share of support for public television and radio stations. For public television, 20.2% of its total operating funds, came from individual subscribers in FY1984, more than an equal match with federal public television support. In addition, our stations are reporting all-time records for the recently concluded March Festival fundraising in terms of the total number of viewer pledges, total dollars pledged, and the size of the average gift. These record levels were achieved despite the reduction of on-air fundraising hours by some stations in response to viewer request.

Our stations recently completed their national programming purchases for the 1985-86 season and unfortunately have had to continue the recent trend of paying more for less programming as costs rise. National underwriting funds for series production has remained level, forcing the stations to bear the entire increase of the series' production costs. This year, the stations have committed a record $34.8 million to purchase a total of only 866 hours of programming in 24 series. Last year, they purchased 950 hours in 29 series for $31.3 million.

As stated previously, The Electric Company, the reading series geared to 7-10 year olds that has garnered six Emmys for producer Children's Television Workshop, will not see a 15th season. The program has been in reruns for the past eight seasons. We do have three new limited series making their debut next season. Eyes on the Prize is a new six episode exploration of the people and events of the civil rights movement produced by Henry Hampton of Blackside, Inc. Black Champions, to be produced by William Miles for WNET/New York is a three part presentation of the history of black achievement in 20th century American sports. The third new series Survival Guides, produced by Jon Denny for KCET/Los Angeles features six comic shows on surviving the trials of modern life.

The family series Wonderworks, which has presented historical, cultural, and social issues within the context of family stories, will be back next year, but is being cut back to 19 programs, a majority of them repeats from previous years. This series has won the praise of critics, award panels, parents, and children. The pledge drive recentlycompleted by South Dakota Public Television brought the following poem accompanied by a one dollar bill from an eleven year old viewer:

> Wonderworks is my favorite show
> But its price is not very low.
> I wish this hundred bucks was real
> So you'd know just how I feel.
> Instead this single is my pledge
> Please don't hide Wonderworks under
> a hedge.
> If Wonderworks would only stay
> It would really make my day.

With more money from our stations each year going to purchase national programming, local programming initiatives suffer for lack of funds. Community outreach programs like The Chemical People produced by WQED/Pittsburgh, a recent participant in First Lady Nancy Reagan's international teenage drug abuse conference have been highly successful, but are costly to produce. The Working Channel, a series of job search programs initiated by WTVS/Detroit last June, has continued to work with local cable companies and state agencies to air information for the area's unemployed 24 hours a day. Another WTVS program Target: Youth Employment made its eighth appearance last year resulting in over one thousand job offers for Detroit's vocational and technical high school graduates. Individual stations across the country have continued to provide air time & production facilities for candidates' debates on the local, state and national levels.

The New Jersey Network donated airtime, studio facilities, and support and technical staff last December to produce a 3 1/2 hour program that raised $180,000 for African Famine Relief. Working with state officials including Governor Thomas Kean, the Chamber of Commerce, press and broadcasting associations and labor unions, the holiday fundraiser's success far exceeded the Network's expectations.

## FEDERAL APPROPRIATIONS MAKE THE DIFFERENCE

Our stations are doing their part by working diligently to increase non-federal funds. But no new means of federal support is available or even on the horizon which could supplant the vital federal funds which continue to shrink as a percentage of total support.

With the levels of appropriations for which we have asked, the talents and energies of our stations' professionals and 200,000 volunteers can continue to build back to the level of services we provided only three years ago. Our viewers have responded to our crescendo toward excellence, but without the funds for new series and services, we are threatening to cut their support by undercutting our own promise to them. We need the all-important seed money to begin to enter the programming pipeline and result in high quality news, cultural and science series for all ages of viewers. Our stations must be able to continue to provide support for families terrorized by substance abuse or threatened by joblessness. And, we can continue to help our nation's schools and families educate their children.

We thank this Subcommittee for repeatedly coming to our aid when our needs have been so great. And we urge that the Corporation for Public Broadcasting be funded at the 1982 current services levels of $244 million for FY1988, $264 million for FY1989 and $286 million for FY1990, or at the highest level authorized.

## STATEMENT OF OLE M. BERGE, CHAIRMAN, RAILWAY LABOR EXECUTIVES ASSOCIATION

### PREPARED STATEMENT

Senator Inouye. Our next witness is the chairman of the Railway Labor Executives Association, Mr. O.M. Berge.

Mr. Berge. My name is Ole Berge, and I am chairman of the Railway Labor Executives Association and its committee on railway retirement and as vice president of the Brotherhood of Maintenance of Way Employees. I have a prepared statement which I ask be entered into the record.

Senator Inouye. Without objection, your statement will be made a part of the record.

[The statement follows:]

## STATEMENT OF OLE M. BERGE

My name is Ole M. Berge. I am Chairman of the Railway Labor Executives' Association and President of the Brotherhood of Maintenance of Way Employes.

The Railway Labor Executives' Association is an unincorporated association with which are affiliated the chief executive officers of all of the standard national and international railway labor unions in the United States. The organizations whose chief executive officers are members of the RLEA are listed below:

- American Railway & Airway Supervisors Association, Division of BRAC
- American Train Dispatchers Association
- Brotherhood of Locomotive Engineers
- Brotherhood of Railroad Signalmen
- Brotherhood Railway Carmen of the United States and Canada
- Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees
- Hotel & Restaurant Employees and Bartenders International Union
- International Association of Machinists and Aerospace Workers
- International Brotherhood of Boilermakers and Blacksmiths
- International Brotherhood of Electrical Workers
- International Brotherhood of Firemen & Oilers
- International Longshoremen's Association
- National Marine Engineers' Beneficial Association
- Railroad Yardmasters of America
- Sheet Metal Workers' International Association
- Seafarers International Union of North America
- Transport Workers Union of America
- United Transportation Union

This nation's Railroad Retirement System antedated its Social Security System. In fact, the original Social Security Act based its tax benefit separation scheme on that developed in the 1935 Railroad Retirement Act. There are today some 1,000,000 persons receiving benefits under the Act, many of whom devoted their working lives to the railroad industry in large part because of the existence of the Retirement Act. Everyone of the persons actively employed in the industry today began his or her railroad career protected by the provisions of that Act.

A federal retirement act became necessary in 1934 for many reasons: The pension system of the railroad industry was ineffective and chaotic; the vast interconnected interstate operations of the very many railroads servicing the 48 states in 1934 made necessary a single uniform pension system fair to all railroad employees. Unlike the Canadian railroad retirement system which is privately maintained by the only two railroads in that country, the American railroad retirement system in 1934 consisted of separate retirement plans with a number of different unions on each of very many railroads then operating in the United States. Employees who left the service of one carrier for employment with another lost their pension credits; the qualification requirements were so high that few, if any, employees ever saw a pension check (an analysis of railroad pension benefits for the years 1925 to 1928 showed that only 17% of employees in the railroad industry would ever receive a pension - ranging from a low of about 8% for maintenance employees to about 30% for train and engine service employees); the amounts of the pensions were much too small (25% were less than $30 per month; the average was $54 per month; 2.6% exceeded $100 per month); and they were reduced beginning in 1932 by amounts ranging from 10% to 40%.

This Congress and the Supreme Court of the United States have recognized that the efficiency and effectiveness of our vital rail transportation system suffers through loss of employee morale when the demands of justice are ignored. The Congress realized the validity of that principle in 1934 and enacted the Railroad Retirement Act of 1934, which, after failing the test of constitutionality, was re-enacted in 1935 and has been an integral and very significant part of every railroad employee's life since that time.

Problems which had arisen over the years in the Railroad Retirement System were virtually all corrected by the 1981 amendments to the Railroad Retirement Act. Inflation and an almost immediate loss of 25% of the industry's workforce through job reductions destroyed the effect of the 1981 amendments and precipitated an even more severe crisis which threatened the very existence of the Railroad Retirement System.

But the industry - management and labor, active and retired - and the Congress removed that threat with the enactment of the Railroad Retirement Solvency Act of 1983. As a result of that Act, the Railroad Retirement System is in excellent condition. The achievement of that result has been and will continue to be paid for by the active employees, rail management and by beneficiaries of the Railroad Retirement System. The last COLA increase applicable to the Tier II benefits of the railroad retirement recipients was on July 1, 1983. Under the new Act they gave up the equivalent of the January 1, 1984 and January 1, 1985 COLA increases. If the Administration succeeds in eliminating the COLA increase due these employees in January, 1986, it will mean that they will have no cost of living increase in their Tier II retirement benefits from 1983 to January 1987. We respectfully submit that that is an unconscionably long time to deprive railroad retirement system beneficiaries of cost of living increases.

A second objective of the Administration is to cut the personnel of the Railroad Retirement Board by 157 jobs or 10% of the work force. As the Committee well knows because of testimony heretofore presented by members of the Railroad Retirement Board, backlogs in the payment of benefits and in otherwise servicing beneficiaries are now building at the Board and its regional offices and a 10% cut in the number of people available to handle these matters would be an unmitigated disaster to the Retirement Act's beneficiaries. It simply should not be permitted.

This is particularly true when the cuts proposed by the

Administration will result in no savings at all to the taxpayers or the Federal Government.

The industry - management and labor - pays for the Board, including its personnel; the taxpayer pays nothing. The OMB may have a technical right to recommend cuts in personnel of the Board because of the technical inclusion in the Budget of the Board's administrative costs; however, its recommendations should not be given the weight here that they are given with regard to other matters where OMB is not dealing with what are essentially private funds being used for a public purpose.

The OMB recommendations would strip some 158 employees from the Board's staff at a time when the Congress through the 1983 Act has placed additional administrative burdens on the Board. Section 224 of that Act imposes new taxes on certain of the benefits provided under its provisions. Those taxing provisions are required to be administered by the Board and its employees. That work must be done. Therefore, if OMB succeeds in its objective of removing 158 employees from the Board's payroll, services to retired employees - really paid for by railroad employees and management - must be cut. That would not only be unjust; it would irrational.

Today some 1578 people are employed by the Board. We are informed that the Board can continue its same services and its new responsibilities without increasing its personnel by curtailments in other areas but, it must continue to employ 1578 persons if its services to retired and unemployed railroad workers are not to deteriorate.

We urge you and your Committee to appropriate the funds necessary to keep the employee force, the services of the Board, and the monetary benefits to retired and unemployed rail workers at their present level.

Thank you.

Mr. Berge. Thank you, sir. I appear here before you today on behalf of the over 1 million beneficiaries of the Railway Retirement Act and 400,000 active railway employees. As you know, because of inflation and the loss of 25 percent of the railway's industry work force between July 1980 and January 1982, the Railroad Retirement System, only 2 years ago, was faced with extinction.

However, the industry, both management and labor, including 1 million retiree beneficiaries and the Congress, removed that threat with the enactment of the Railroad Retirement Solvency Act of 1983.

The retirees sacrificed by foregoing COLA increases. They have not had a tier II COLA increase since July 1, 1983, and the administration would have that continue until January 1987. That is grossly unfair.

In addition, much of the enormous expenditure of energy and sacrifice which labor and management contributed to this effort and the tremendous expenditure of energy and time by the Congress will be rendered futile if OMB's proposed arbitrary cutbacks in retirement board personnel is permitted.

OMB has offered no justification for its proposal, and none exists. The Federal Government will not save 1 cent by removal of those positions.

The industry, management, and labor, pays for the board, including its personnel. The taxpayer pays nothing. The OMB recommendations would strip some 157 employees—that is 10 percent of the board's work force—from the board at a time when the Congress through the 1980 Solvency Act, has placed additional administrative burdens on the board.

That work must be done. Therefore, if OMB succeeds in its objective of removing 157 employees from the board's payroll, services to retired employees that is really paid for by railroad employees and management must be cut.

That would not only be unjust, it would be irrational. Today, some 1,587 people are employed by the board. Even with the present number of employees, backlogs and payment of benefits and otherwise servicing beneficiaries are building at the board; a 10-percent cut would be a disaster.

We respectfully urge you and your committee to appropriate the funds necessary to keep the retirement benefits and employee force and the service of the board to retired and employed railroad workers at your present levels.

Thank you, sir.

Senator Inouye. Mr. Berge, with the enactment of the Railroad Retirement Solvency Act of 1983, I think the Congress is obligated for what you have said.

Mr. Berge. Thank you. I appreciate it.

Senator Inouye. We will do our best.

## STATEMENT OF ANDREW M. RIPP, CHAIRMAN, RAILWAY LABOR EXECUTIVES ASSOCIATION COMMITTEE ON RAILWAY LABOR ACT

Senator Inouye. Our final witness this morning is Mr. Andrew M. Ripp, chairman of the Railway Labor Executives Association Committee on Railway Labor Act.

Mr. Ripp. Thank you, Mr. Chairman. I have a prepared statement which I ask be entered into the record as if read.

Senator Inouye. Without objection, so ordered.

Mr. Ripp. I represent the Railway Labor Executives Association as chairman of the Railway Labor Act Committee and vice president of the International Brotherhood of Electrical Workers. I appear before you on behalf of virtually all railroad employees in the United States.

Members of the RLEA unanimously oppose the efforts by the National Mediation Board and the Office of Management and Budget to destroy the National Railroad Adjustment Board, an agency created by Congress in 1934 to provide justice to its railroad employees which preserve peace in the railroad industry of this country.

For the past 2 years, we have come before this committee and its counterpart in the House and have told you that the National Mediation Board and the OMB were bent on destroying the National Railroad Adjustments Board by refusing to provide offices for board members who were appointed by labor and management and who constitute the permanent members of the Board.

In your report, you stated that you were providing sufficient funds for rental space, and on the subject of reduction of the rental space, the House committee noted only its reduction of space rental payments in Washington by $120,000.

But the Mediation Board and the OMB have not been intimidated by Congress. They have now closed the offices and forced the board members to seek office space wherever they can find it.

Unlike the other workers in this country, railway labor cannot strike over contract grievances. They gave up that right in 1934 in return for the creation of a full-time Government maintained compulsory arbitration board to decide such grievances.

Now, the National Mediation Board and the Office of Management and Budget would have no hesitancy at all by depriving the board members of their offices. Without a functioning adjustment board, there can be no supplemental special boards.

Without functioning boards, the Railway Labor Adjustment Board would again have the right to strike over each and every grievance left unresolved.

There are now over 16,000 of them pending. We respectfully submit that this OMB and the National Mediation Board arrogation of congressional power is ill-conceived, ill-considered, and ill-advised.

It should be explicitly rejected by this committee and the Congress. You appropriated sufficient funds last year to keep the board and the special boards in operation year-around and to provide suitable office space for the board members.

However, the National Mediation Board will not use these funds for the payment of rent for the board members' offices.

We respectfully urge this committee to state clearly its intent to appropriate funds for this purpose, among others, of providing suitable office space for members of the board.

The proposed small cut of $11,000 in the Mediation Board appropriations seems insignificant. But it will be used by that Board and the OMB to further erode the usefulness of the Adjustment board.

So we ask that the full appropriation of $6,358,000 be approved.

I thank you, Senator. I want to thank the committee for the support we have received in the past.

## PREPARED STATEMENTS

Senator INOUYE. We will do our best, sir.

Mr. RIPP. Thank you very much.

Senator INOUYE. Your statement will be included in the record at this point, along with other statements for the record on appropriations for related agencies.

[The statements follow:]

## STATEMENT OF ANDREW M. RIPP

My name is Andrew M. Ripp. I am a Vice President of the International Brotherhood of Electrical Workers and a member of the Railway Labor Executives' Association. I appear before you as Chairman of the Association's Committee on the Railway Labor Act.

The Railway Labor Executives' Association is an unincorporated assocation with offices in Washington, D.C., whose membership consists of the chief executive officers of all of the standard national and international railway labor unions in the United States. The organizations whose chief executive officers are members of the RLEA are listed below:

American Railway & Airway Supervisors Association, Division of BRAC
American Train Dispatchers Association
Brotherhood of Locomotive Engineers
Brotherhood of Maintenance of Way Employes
Brotherhood of Railroad Signalmen
Brotherhood Railway Carmen of the United States and Canada
Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes
Hotel & Restaurant Employees and Bartenders International Union
International Association of Machinists and Aerospace Workers
International Brotherhood of Boilermakers & Blacksmiths
International Brotherhood of Electrical Workers
International Brotherhood of Firemen & Oilers
International Longshoremen's Association
National Marine Engineers' Beneficial Association
Railroad Yardmasters of America
Seafarers Interntional Union of North American
Sheet Metal Workers' International Association
Transport Workers Union of America
United Transportation Union

I am here today to present to you the opposition of the members of the RLEA to the continuing attempts by the National Mediation Board and the Office of Management and Budget to destroy by the budget process an agency created by the Congress in 1934 and responsible for the peaceful resolution of tens of thousands of disputes in the railroad industry over the past 50 years.

By shifting budget numbers from one column to another, and thereby withholding funds for the payment of rent for offices for board members, the NMB and OMB modified substantially Railway Labor Act processes that have worked well for half a century. NMB and OMB would cause the elimination of the very existence of the National Railroad Adjustment Board. As of March 20, 1984, the NMB no longer provided office space for the members of the National Railroad Adjustment Board. The provision for office space amounted to something in the neighborhood of but $120,000 per year.

Two years ago the NMB/OMB attempted to circumvent the requirements of the law by having the Congress cut the Board's appropriation to the point where it would have been incapable of executing its statutory duties. The Congress refused to cooperate with such a plan and appropriated enough money to provide the space required by the Railway Labor Act for partisan members of the Board. Although differing somewhat as to the amounts required, this Committee and the House Committee each provided sufficient funds for "space rental . . . costs" and on the subject of the reduction of rental space, the House Committee noted only its reduction of "space rental payments in Washington by $120,000." (Emphasis supplied.) Certainly, had the Committees wished to reduce the Chicago rent instead of guaranteeing continuation of rental space for the members of the Board in Chicago, they would have said so.

But NMB and OMB were not deterred. The offices for partisan members have been closed.

The Board is maintained on about a 50-50 basis by the federal government and the industry. The members of the Adjustment Board and the members of the Special Boards - other than neutrals - are paid by the industry parties they represent. The cost to the industry - labor and management - of this statutory obligation is about $2 million per year and is about equal to the federal cost of maintaining the Board.

The NMB and OMB seem quite clearly ignorant of the origins of that which they have set about to destroy. The Railway Labor Act was designed to insure labor peace to the fullest extent compatible with the rights of management and employees in the rail industry. The continued operation of the railroads in the United States was, and remains, so uniquely essential to the welfare of this nation that the few times we have been faced with a nationwide railroad strike the Congress has intervened with the swift enactment of a law to prevent it.

The law permits employees in other industries to strike over grievances or violations of their contracts or upon the expiration of their contracts; employees in the rail industry cannot do so. They must submit such disputes to a standing arbitration board - the N.R.A.B.

The railroads were generally satisfied with the operation of the 1926 Act, hence it was difficult to secure from them agreement to submit to Congress a joint proposal of amendment to that Act. Eventually agreement was reached and, in addition to provisions prohibiting a carrier's interference with an employee's organizing rights, there was agreement to the establishment of a national adjustment board (as distinguished from system or regional boards) to be known as the National Railroad Adjustment Board. To secure that objective the railway unions were compelled to concede their right to strike over "minor" disputes, that is, grievances and contract violations. And, when in 1957 a union took the position that the Act gave it discretion to go to the Board or to strike over its grievance, the Supreme Court held otherwise and emphatically based its decision upon its conviction, clearly demonstrated in the legislative history of the 1934 Act, that labor had traded its right to strike over "minor" disputes for a standing arbitration board created and maintained by the federal government. In Brotherhood of Railroad Trainmen v. Chicago River and Indiana Railroad Company, 353 U.S. 30 at 37 (1957) Chief Justice Warren, speaking for a unanimous Court said:

> The change was made with the full concurrence of the national railway labor organizations. Commissioner Joseph B. Eastman, Federal Coordinator of Transportation and principal draftsman of the 1934 bill, complimented the unions on conceding the right to strike over "minor disputes" in favor of the procedures of the Adjustment Board. (Emphasis supplied.)

Recognition of this concession of the right to strike as the quid pro quo for a federally financed compulsory arbitration board is repeated throughout the two succeeding pages of the Supreme Court's opinion in the Chicago River case.

The Congress has made a number of significant changes in the Railway Labor Act since the NRAB was created and began functioning in 1934. At no time has the Congress indicated that provision of office space by the federal government for Board members was not completely in keeping with the Congress' 1934 plan and desire. In short, the Congres has confirmed this practice which has existed since 1934, a full half century.

The entire scheme of the Railway Labor Act is very different from that of the Labor Management Relations Act because one of the former acts major purposes was, and is, to reduce the occasion for strikes in the railroad industry to an absolute minimum. It has been praised by legislators, the courts and legal scholars alike for the manner in which it has accomplished that objective.

Last year sufficient funds were appropriated by the Congress to keep the Board and the Special Boards in operation year round and to provide suitable office space for the Board members, however, the NMB did not use those funds for the payment of rent for Board members' offices. The Board members no longer have offices at the Board headquarters but at outlying points around Chicago and even in distant cities. Needless to say, the work of the Board has suffered. And now OMB wishes to cut another $11,000 from the Board's appropriation, an exceedingly small sum to be sure, but it constitutes just one more step in the complete elimination of the National Railroad Adjustment Board as an effective means of reducing strife in the industry by providing for the just treatment of employees.

The RLEA respectfully urges this Committee to state clearly its intent to appropriate funds for the purpose, among others, of providing suitable office space for the members of the Board and to appropriate the same amount as last year for the purpose so that the NMB budget will be $6,358,000 and not the $6,347,000 recommended by OMB.

## STATEMENT OF FRANK E. SAMUEL, JR., PRESIDENT, HEALTH INDUSTRY MANUFACTURERS ASSOCIATION

Mr. Chairman, the Health Industry Manufacturers Association appreciates this opportunity to express its support for fiscal year 1986 funding for the Prospective Payment Assessment Commission.

Let me begin by explaining that the Health Industry Manufacturers Association represents more than 300 manufacturers of medical devices and diagnostic equipment. Those products run the gamut, from sutures and syringes to monoclonal antibodies and high-tech medical devices. In all, we believe that our companies manufacture more than 90 percent of the medical equipment produced in the United States.

We support funding for ProPAC for one very simple reason -- ProPAC matters. In 1983, Congress passed the most comprehensive reform of the Medicare system since its initial founding in 1965. Called prospective payment, this system adds new incentives in the delivery of medical care for the nation's 30 million elderly.

By setting prices in advance for 467 categories of illness, prospective payment has given hospitals, suppliers, and practitioners a set of very clear incentives to economize and improve cost-efficiency in the delivery of hospital care.

Those incentives are working. Thanks in part to prospective payment, we see substantial reductions in hospital lengths of stay, admissions, and the growth of overall hospital costs. As employers and consumers, we all benefit from such cost reductions.

There's another side to this issue, however. For every incentive there is an equal and opposite disincentive. In this case, that disincentive is to provide too little care or to cut costs too much in treating each individual case. That could cost us dearly in the longer-term, both in dollars and lives -- a price we can hardly afford. Recognizing this, Congress saw fit in 1983 to build protective mechanisms into prospective payment to prevent such abuses and disincentives.

ProPAC was one of those. Congress armed ProPAC, as well as the Health Care Financing Administration, with tools to ameliorate the worst of the disincentives of prospective payment. They are called recalibration and updating. These tools can help the payment rates and classifications reflect current needs, quality, and improvements in technology. ProPAC's specific role is to lend a thoughtful, independent voice in this analysis, with appropriate facts, figures, and attendant detail. This assistance will allow the Secretary of HHS to make a more informed decision about how rates and payment categories should change. And because ProPAC also shares its report with Congress, it, too, has the benefit of this independent analysis.

Therefore, ProPAC finds itself in a pivotal role. It serves as a bridge, in a way, to a cost efficient system. While it must take into account productivity and cost-effectiveness in making its recommendations, it must also make sure that we do not disregard the fundamental necessity of quality and access. That responsibility requires ProPAC to conduct thorough analyses related to updating and recalibration, including a review of the adequacy of DRGs, an assessment of the quality of care delivered in America's hospitals, a recognition of changes in technology that are redefining whole fields of care, and an understanding of the latest trends in delivery and of the impact of productivity in health care.

That is no small task, particularly for a very small agency. And the budget requested is well below what it could be in light of the data-gathering and analysis demanded by those duties.

For all these reasons, the Health Industry Manufacturers Association supports ProPAC funding for fiscal year 1986. We continue to believe that this is a sound investment in keeping prospective payment working properly.

That's not to say we agree totally with ProPAC's direction or emphasis. We believe, for example, that its deliberations should be more open for public comment. In the past, public comment periods at ProPAC's meetings were held after decisions were made, thereby limiting adequate public debate or ProPAC access to alternative points of view. We are pleased, however, that ProPAC has indicated a willingness to improve these procedures.

Another area where we believe ProPAC must be extremely careful involves its overall focus. As we read the statute, ProPAC's main duties revolve around updating and recalibration of DRG rates. We believe those efforts should not be diluted. They are central to making prospective payment work properly. While an assessment -- now underway at ProPAC -- of the overall impact of the DRG system on health care is commendable, it should not obscure ProPAC's focus from updating and recalibration. In short, we believe ProPAC should stick to its knitting -- that the best interest of the elderly lie in making sure, within the structural incentives and disincentives of the prospective payment system, that DRG rates are accurate and reflect proper medical care.

Having said that, we believe that ProPAC deserves funding for fiscal year 1986. ProPAC can be an important tool in assuring that prospective payment achieves its ends of balancing cost-effective care with the high standard of quality that has been the hallmark of the U.S. health care system.

## CONCLUSION OF HEARINGS

Senator INOUYE. This will complete the hearings on fiscal year 1986 appropriations bill for the Labor/HHS Subcommittee, and therefore, the subcommittee will now stand in recess.

[Whereupon, at 12 noon, Wednesday, May 15, the hearings were concluded, and the subcommittee was recessed to reconvene subject to the call of the Chair.]

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